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Deputy Premier Mieczyslaw Jagielski signing agreement in Gdansk yesterday on settlement of widespread labor walkouts, with strike leader Lech Walesa facing him across the table.

Congressman, 3 Others in U.S. Found Guilty of Taking Bribe

By Charles R. Babcock

NEW YORK, Aug. 31 (WP) — A jury here early yesterday found Rep. Michael Myers, D-Pa., and three other defendants guilty of a \$50,000 bribe to a year ago an FBI undercover agent as a representative of an "sheikh."

After about 10 hours of deliberation, the jury foreman told District Court Judge George that Rep. Myers, Angelo E. Johnson, Philadelphia city alderman, and his law partner and Criden also were found guilty of conspiracy and interstate racketeering.

Defendants face possible 15-year terms on the bribery charge. Rep. Myers, a 37-year-old doctor from south Philadelphia, showed no emotion when the verdict was read.

Rep. Myers said after the verdict: "I don't think I understood the charge."



Rep. Michael Myers

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Myers told the witness in his own defense and could be only "playing" at it, he said, meeting that was videotaped at a Kennedy

hours, evidently agreed with government prosecutor Thomas Puccio's assertions that Rep. Myers' story was unworthy of belief. During his final arguments, Mr. Puccio emphasized the videotaped evidence, and said when Rep. Myers found out he had been "caught red-handed" he "became a man in need of a story."

Especially devastating to Rep. Myers' defense was the Jan. 24, 1980, videotape at Philadelphia's Barclay Hotel in which the congressman complained that he had received only \$15,000 from the first payoff in the \$50,000 package.

Rep. Myers told The Washington Post while waiting for the verdict that he was not considering resigning his congressional seat if convicted. He said he would not make any immediate decisions about his political future, though he said he thought his constituents would be disappointed that he never had introduced the bill for the "sheikh."

Rep. Myers faces expected disciplinary proceedings by the House Committee on Standards of Official Conduct, which could lead to his being expelled from Congress.

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hours, evidently agreed with government prosecutor Thomas Puccio's assertions that Rep. Myers' story was unworthy of belief. During his final arguments, Mr. Puccio emphasized the videotaped evidence, and said when Rep. Myers found out he had been "caught red-handed" he "became a man in need of a story."

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Looser Economic Policy Expected to Be Endorsed

China Opens 'Historic' People's Congress

By James P. Sterba

Peking, Aug. 31 (NYT) — "words like 'profit' and 'loss' as such as 'increased competition' and 'market forces' echoed through the Great Hall of the People here today as the 5th National People's Congress opened its 10-day session. The session is expected to endorse a new economic policy that would loosen central reins on the economy.

The congress, which is expected to endorse the resignations of Premier Hua Guofeng and Deputy Premier Deng Xiaoping, among others, was opened by Deputy Premier Yang Shangkun, who announced the new economic policy.

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that power becomes too concentrated, and we must select and appoint to leading posts those cadres who have distinguished themselves in practical work, who enjoy popular support and who are in the prime of life.

It was the third annual session of the fifth congress — each congress lasts five years — and the first in which both foreign journalists and diplomats have been invited in 20 years. The congress, the government's highest legislative body, is convened yearly to endorse formally decisions made in advance by the Communist Party leadership.

Anti-Poster Measure

Besides the leadership change, the congress agenda includes "an important" speech by Mr. Hua, a constitutional revision outlawing poster criticisms like those on the

old Democracy Wall and adoption of unspecified laws on citizenship, marriage and income taxes for individuals and joint ventures.

Yesterday's speeches dealt with the loosening state of the Chinese economy in which, for the second straight year, officials disclosed statistics previously considered to be state secrets, as well as economic goals and plans, and the results of previous government initiatives.

As Mr. Hua sipped tea, Mr. Deng puffed cigarettes next to him, and 3,478 other deputies shuffled papers. In the 10,000-seat auditorium, Deputy Premier Yao Yilin, who is in charge of the State Planning Ministry, said China's economy, after decades of stagnation, "as a whole is becoming livelier."

Mr. Yao said growth in agricultural production and light industry, which had been sluggish, has finally begun to accelerate, adding that the experiments of free enterprise, factory autonomy, local decision-making and competition would be greatly expanded in the next two years.

In a speech that often sounded like it could have been made in Japan or other government-guided free-enterprise economies, Mr. Yao said, "Regulation of the economy through the market will be carried out under the guidance of the state plan." He added that broadening experiments in competition "give expression to the principle"

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Begin Rejects Sadat Plan for Washington Summit

RUSALEM, Aug. 31 (AP) — Prime Minister Menachem Begin has rejected a proposal for a three-way summit meeting with the United States this fall, Israeli Cabinet sources said.

Begin said the Egyptian proposal for a summit meeting in Washington after the U.S. presidential election in November — because of the time that would be lost in negotiations between Israel and Egypt — was "not in the interest of the state."

Instead, the sources said, Begin will tell Mr. Sadat that the two countries should immediately resume the Palestinian autonomy talks, which Egypt has suspended.

A U.S. special envoy, Sol Wachtler, arrived in Tel Aviv today in an effort to revive the talks. Wachtler said the talks are "not in the interest of the state."

Begin said Mr. Begin outlined a Cabinet meeting today to read details of the proposal received from the U.S. on Friday.

Begin said Mr. Begin's office today that the prime minister, in a meeting with Mr. Linowitz, will maintain that it

was Egypt that called off the autonomy talks and that it is up to Egypt to reschedule them.

Egyptian leaders have declared that there is no point in resuming the negotiations unless Israel disavows a law declaring Jerusalem, including the Arab eastern sector, to be its eternal and indivisible capital; ceases its expansion of Jewish settlements in the occupied West Bank and Gaza; and ends its military action in southern Lebanon.

Egypt suspended the talks on Palestinian autonomy after the Israeli Knesset (parliament) passed the Jerusalem law a month ago. The Israeli and Egyptian leaders have exchanged a series of letters in an attempt to resolve their differences, but with no apparent success.

Bolivian Embassy Move

LA PAZ, Aug. 31 (Reuters) — Bolivia has decided to move its embassy in Israel from Jerusalem to Tel Aviv, a Foreign Ministry spokesman said. It said the decision had been taken because of the Israeli law declaring Jerusalem its undivided capital.

The Netherlands and eight Latin American countries have already moved their embassies from Jerusalem. Bolivia's decision leaves three embassies there.

The Bulging Cities

In a special supplement, the rapidly accelerating shift of world populations to the cities — and the consequent problems — are examined by writers from around the world. Pages 95-123.

The Third Men

John Anderson and his vice-presidential running mate, Patrick Lucy, have presented their platform. Page 3.

Iran Cabinet

New Iranian Premier Mohammad Ali Rajai finally has presented his Cabinet members to the Majlis for approval. President Bani-Sadr promptly disavowed many of the choices. Page 5.

Broad Concessions Granted Polish Government Yields; Strikers Returning to Jobs

From Agency Dispatches

GDANSK, Poland, Aug. 31 — Declaring victory for all Polish workers, the leader of 200,000 strikers in Gdansk signed an agreement with the government today that he said addressed all 21 of their demands. The agreement allows for new independent trade unions — although less independent than the workers had sought — and for the right to strike.

The agreement concluded today represented, if carried out, a substantial change in the type of rule more or less uniformly exercised in the Soviet bloc since the end of World War II. The solution of the strike centered in Gdansk was expected to end work stoppages affecting about 300,000 jobs that developed throughout the country over the last two weeks.

The signing of the accord was broadcast on national television — a stunning event for the Poles, who have never seen opposition to Communist Party policy acknowledged in the media. The ceremony involved Mieczyslaw Jagielski, the deputy premier, and Lech Walesa, the strike leader and head of the new union organization.

Mr. Walesa, wearing a crucifix over his yellow turtleneck polo shirt, used a footlong red and white pen, a souvenir of Pope John Paul II's visit here last year, to endorse the documents, before Mr. Jagielski signed.

Standing in the assembly hall of the Lenin shipyard, where the strikes began, Mr. Walesa said: "The agreement came without violence and this shows we can work together. We've gotten all that's possible in the current situation. It's what we wanted and dreamed of — we've got independent unions."

"The strike is over," he said. "This is the first stage of our victory. Everybody must take part in the second stage," when the new union takes over the job of representing workers in the Gdansk area. The workers in the important Baltic shipbuilding area were due back on their jobs tomorrow, Mr. Walesa said.

"We had to make concessions, but it is a good agreement," he said. Among these concessions was a compromise on the independence of the new unions. The unions apparently will serve essentially as collective bargaining organizations concerned with worker welfare questions, as opposed to bodies with specific political character that could be interpreted as being contrary to the established authority.

A similar agreement was signed at the country's second largest port of Szczecin and the official news agency PAP reported that activity

has returned to Szczecin's ports and shipyards.

The government was expected to apply the Gdansk formula to settle strikes that idled 100,000 more workers in the country's other important industrial areas of Wroclaw and Silesia, where negotiations were under way.

It was not precisely known what

thinking went into the decision of the Central Committee of the Communist Party to agree to the demand on unions, but there seemed no other way to head off further damage to Poland's severely weakened economy.

An economist who helped negotiate the agreements that ended the strike said the government never

mentioned the possibility of Soviet intervention. However, he said, the notion was implicit in some of the bargaining, and the government seemed to fear the "internationally upsetting" aspects of continuing walkouts.

Mr. Jagielski, in a statement seeming to play down the notion that the authorities had given sub-

stantial ground, said, "It was hard work, but important things have been done. There were hard arguments advanced and we offered our analysis of the situation, what could be done, and the possibilities for realizing solutions. We've spoken as Poles to Poles, the way it should be. There's no winner or loser."

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Independent Unions vs. the Party's Power When the Dust Settles and the World Forgets, What Will Happen?

By John Darnton

WARSAW, Aug. 31 (NYT) — In the agreement struck today, the Gdansk strikers acknowledged the "leading role" of the Polish Communist Party in national life, but also won the promise of independent trade unions that could challenge that supremacy.

In the Soviet bloc, the idea of independent unions and the legal right to strike are so revolutionary it is impossible to say where they might lead. Like everything else, including the government, unions are supposed to be adjuncts of party control. Strikes, too, are supposed to be inconceivable because the workers themselves are the theoretical masters of the state.

The key question about independent trade unions in an orthodox Communist country is whether they can keep their independence. Can they stand up to the awesome apparatus of the party, which has had the knack and tradition of co-opting similar movements?

"You must never forget just how strong the party is," said one former party official now in retirement. "It's all very good to fight it when you have thousands of strikers tying up the country and the whole world press watching, every move. But what happens afterward, when things settle down? How is the pressure to be resisted day after day, the kind of pressure that grinds you down?"

For the strike leaders, there is a discouraging historical precedent. After worker riots in Poznan in 1956, a new government came to power largely as a result of the 5,000 workers' councils that sprang up spontane-

ously. One top official called them "the cornerstone of the political, economic and social changes sweeping the country," and the new Polish leader, Wladyslaw Gomulka, eloquently defended the right to strike.

Yet within two years, the party had regained control, the councils were merged with the strictly controlled trade union or-

NEWS ANALYSIS

ganizations and Mr. Gomulka declared strikes to be "signs of anarchy under the conditions of Socialist freedom" and the work of "the class enemy."

Mindful of this lesson in how quickly gains that are won in the fire of a crisis can fade away in the everyday reality of the political order, the Gdansk strikers demanded fully autonomous trade unions whose existence would be codified in law. As soon as the representatives from the two sides sat down to talks in the Lenin shipyard in Gdansk, this became the central issue.

Initially, the government negotiator pressed for a reform of the existing trade unions, arguing that under honest and secret elections the strike committees' members could run for office and reform them from within.

The approach was promptly rebuffed. "I think there's a misunderstanding," said Lech Walesa, the strike leader. "We are talking about new unions and you're talking about modernizing the old ones — that's turning the cat around by its tail."

The government then switched course. Its negotiator recognized the new unions and tried instead to circumscribe their scope, limit their responsibilities to workers' welfare questions and insist that the existing union structure be allowed to continue. The hope was that the new unions would concern themselves with the bread-and-butter issues "at the bottom" and the old ones would retain their role of political representation "at the top."

The document that emerged describes the new unions' basic function as "defending workers' rights." It says that the government guarantees that these rights will not be discriminated against. They have the power to "publicly express an opinion" on long-term national planning decisions affecting workers, such as budgetary allocations, and to run their own study centers and print their own publications.

These are strong concessions, which ensure a national voice. But more important are practical matters left unstated — the unions' right and abilities to organize and recruit, secure funding and maintain ties, if any, with international labor organizations. The old union, which will continue to be thoroughly discredited as organizations speaking for the workers, and publicly so in a state of self-criticism over the past two weeks.

The old unions were thoroughly dominated by the party. The head of the central trade union council was a member of the

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Pravda Condemns 'Anti-Socialist Elements'

Russia Assails Strikers in Poland, Rejects Agreement

By Dusko Doder

MOSCOW, Aug. 31 (WP) — The Soviet Union delivered a stinging attack on the leaders of Poland's striking workers tonight in an authoritative statement that clearly rejected the accord they had reached earlier today with the Polish government.

The statement, which is scheduled to appear as an editorial tomorrow in Pravda, made no men-

tion of the accord or the crucial issue of free labor unions. But it firmly rejected "political" demands that it said had been advanced by "anti-Socialist elements" to inflict "direct damage" on Socialism and to violate the crucial link between the Communist Party and the working class.

The first substantive statement on the Polish crisis clearly revealed Kremlin surprise at the scope of the Polish government's conces-

sions. It was not clear whether it was designed to put pressure on Warsaw to hold the line or to encourage the hard-liners in the Polish Communist Party to challenge the current leadership.

It reminded Poland of its obligations to the Warsaw Pact and Comecon, the Soviet-bloc common market, and by implication expressed a lack of confidence in the way the Polish leadership has handled the crisis.

Pravda linked "anti-Socialist" forces in Poland to "reactionary Polish emigrants" and unnamed "subversive centers" in the West and said their aim was to damage the Socialist gains of the Polish people.

Prospect of Anarchy

It said that the position advanced by "anti-Socialist forces" was "poisoning the political climate in the country, raising the prospect of anarchy in public life and does not take into account possible consequences for the state and people."

Strikers' Leader Is Cunning and Cautious

'This Machine Has Broken Down,' Says Walesa, in Moment of Glory

By John Vinocur

GDANSK, Poland, Aug. 31 (NYT) — It was his daily lap of triumph, the 100 yards from the delegates' hall to the high front gate of the Lenin shipyard, and no pop star or astronaut or Olympic victor could challenge Lech Walesa's moment of glory.

Again and again in the last two weeks the Gdansk strike leader burst out of his office to cheer from the workers, rushed into the courtyard and at a trot began tossing small pictures of the Virgin Mary, Queen of Poland, into the air. While bodyguards made room in the crowd, he grabbed pens to sign autographs, writing just Lech.

Then he broke through to the gate, clambered halfway up and boomed out a message to the crowd filling the streets beyond the iron grillwork. His line was: "We are hanging tough. Things are moving a bit. Everybody should keep the faith."

Friday night he skipped leading the crowd in the Polish national anthem, usually part of the routine, and trotted back to his office. At luncheon yesterday, after two weeks of wild hope and excitement, Lech Walesa's time had come to announce victory, or at least something that looked like it.

"I Guess I'm It"

"They really seem to want a leader," he had said, lying on an air mattress and talking with visitors in the corner of a spare room where he has slept for the last fortnight. "I guess I'm it."

The man who has emerged as the personal force behind the strikes is a 37-year-old electrician with six children. He is about 5 feet 6 inches tall, with a shock of brown hair, which he pushes back even when it is not falling over his

eyes, and a thick, carefully trimmed moustache.

When he talks to the crowds he is direct and simple. But if he is asked about himself, the negotiations or his concepts, he becomes a master of ambiguity, of half-tones, of answers that are questions in themselves.

Watching him reveals how clearly he is aware of the way to play his strong suits: references to the church and remarks about Polish nationalism. Talking with him reveals his caution: No one gets more from Lech Walesa than he thinks they need to know. He keeps his background sketchy, but it is clearly one of deep involvement in the Baltic labor troubles that have led to the upheaval.

Working in the Lenin shipyard, he was involved in demonstrations that led to more than 100 deaths in 1970. When more trouble developed in 1976, he was dismissed and worked doing odd jobs. Last year he joined an activist group known as the Baltic Free Trade Union, and when workers at the Lenin yards struck Aug. 14, one of their demands was that Mr. Walesa be reinstated immediately. He was. He climbed over the shipyard wall the same day and won a concession in writing that none of the strikers would be penalized for their actions.

His hold on the strikers became clear immediately. When a group of them singled out a man they considered a provocateur, Mr. Walesa shouted, "If he's even touched, I'll quit!" Then, as the man was being led out, Mr. Walesa cried out: "Don't whistle! Don't shout! Show your dignity!"

Mr. Walesa's strength, his ability to impart confidence to the people listening to him, seems to have impressed the Communist leadership as well. It ignored an offer Thursday that he go on television to appeal to the rest of the country to avoid additional work stoppages that could, as he said, endanger Poland. The government seemed to consider that the greater risk lay in a television appearance that would legitimize him, turning him into a kind of accepted opposition leader.

When Mr. Walesa was approached to discuss the strike, his tactics and himself, he did not want to talk about men or books that had influenced him. "My ideas come from my life and my experiences in 1970. I don't think about history. All I want is that my friends and I be given the power to deal with the problems of our fellow workers."



Lech Walesa

tened closely. "Maybe one day I'll go to Czechoslovakia or the Soviet Union," he said, and everyone laughed. "Or even the United States." The laughter was louder. Mr. Walesa's mother died in New Jersey in an automobile accident and his stepfather still lives in the United States.

As far as Poland's relationship with the Soviet Union goes, Mr. Walesa offered a story: "There are these two rabbits at our border, one Polish and the other Russian. The Russian rabbit is running as fast as he can. The Polish rabbit asks him why, and the Russian rabbit replies, 'Because they're castrating all the bears.' But you're a rabbit," the Polish rabbit says. "Yes, the Russian rabbit answers, but I'm not sure if that's a good enough explanation."

Again, everyone laughed. After a translation the visitor asked Mr. Walesa if he ever worried about harm coming to him.

"There are a lot of cars in Poland," he said. "Sometimes there are accidents."

The editorial, which was distributed in advance by Tass and read in full on the main national television news program tonight, singled out the strike leaders at Gdansk.

"Anti-Socialist elements succeeded in infiltrating a number of enterprises on the Polish coast, above all at Gdansk, where, misusing the confidence of the workers, they were using economic difficulties for their counterrevolutionary objectives," it said.

An earlier expression of lack of confidence in the Polish leadership came this morning in Pravda. It printed an article by Gus Hall, leader of the tiny American Communist Party, who blamed "weak leadership and distortions of Socialist methods and approach" for the current crisis in Poland.

Tonight's statement left no doubt about deep reservations in Moscow concerning the sweeping concessions granted to the strikers. It was signed by Alexei Petrov, a pseudonym believed to be used for authoritative pronouncements short of a formal government statement.

The idea of a Communist government negotiating with strike leaders and signing an agreement is in itself abhorrent to the Kremlin. But all along, the Russians had apparently expected that a settlement would be reached in which the crucial issues would have cosmetic solutions.

The accords in Poland, however, were interpreted by East European sources in Moscow as setting a new precedent for the entire Soviet bloc. Many of its provisions fly in the face of Marxist doctrine, such as recognition of the workers' right to strike. But it is the key question of party control that has been challenged by the acceptance of independent trade unions. This, from Moscow's viewpoint, undermines the basis of Socialist systems.

The statement tonight appears

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agreed in a 9.1-percent pay increase this year for 1.4 million federal employees, boosting the 7.8-percent increase that he had earlier said was justified because of inflation.

The pay rise will go into effect Oct. 1 unless Congress votes to repeal it.

Polish working class. They inflict a direct damage on real Socialism in Polish soil; they seek to violate the party's links with the working class — the main source of the strength of the Polish United Workers Party and the Polish state. Precisely for that reason anti-Socialist elements find support among Pro-

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EAST LANSING, Mich., Aug. 1 (AP) — "The Tramp," a painting by French artist Georges Rouault valued at \$25,000, was cut from its frame and stolen Friday from the Kresge Art Center at Michigan State University, campus police said yesterday.

"It could be said that we would have to export for over two years without importing anything if we wanted to repay [our debts]," Mr. Krzak said on television.

In its editorial, headlined "How to Kill a Newspaper," the paper said that Times Newspapers Ltd. had insufficient funds "to pay increased salaries, or indeed to pay any salaries at all," and that the funds came from the parent company, Thomson British Holdings.

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that foreign journalists have been told by a high party source in recent days, and it indicates that the party — or important elements within it — are implacable opponents of today's agreement. The new unions have been told they may exist, but their struggle is only just beginning.

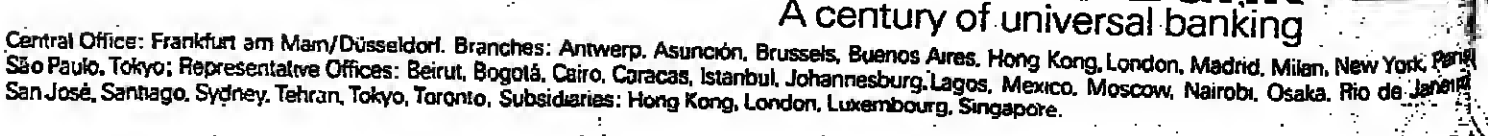
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number of long-standing territorial disputes regarding border regions, some South China Sea islands and the Gulf of Tonkin.

Mr. Deng was quoted as saying that the Soviet Union needs Europe if it is to establish world domination. "Not even if they invade China," he said.

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Focus on Private Sector

Anderson, Lucey Set Campaign Platform

By Warren Weaver Jr.

WASHINGTON, Aug. 31 (NYT) — Rep. John Anderson, the independent candidate for president, and his running mate, Patrick Lucey, offered a four-year program for running the government yesterday and said it would require voters "a patriotism greater than party."

Making public their equivalent of the platform drafted by the Democrats and Republicans, the candidates of the National Unity Campaign called their plan "our own sketch of the priorities we believe should guide our country, not mosaic of bargains among special interests or trade-off among experts."

The Anderson-Lucey platform opposes any reduction in personal income taxes until the federal budget has been balanced, proposes to fight inflation with a new system of voluntary labor-management wage-price guidelines, and offers a broad range of new tax advantages to individuals and businesses.

Generally, their plan calls for reducing the government's role in a number of areas — unemployment, housing, welfare and national health insurance — in which additional liberal doctrine has aided in the past for public improvement.

Essential Equivalents

In foreign policy and national security, the platform proposes to "maintain and preserve" "essential equivalents with the Soviet Union" military capacity. It would also press for international arms control agreements and seek to stabilize relations with the Soviet Union through active exchange of communications.

While a comparison of the independent platform with those of the major parties risks oversimplification, the Anderson-Lucey proposals appear to be somewhat more conservative than the Democratic platform on social programs, calling for lower spending and less government involvement. They seem more liberal than the Republican version — firmer on individual rights, energy and the environment.

On economic matters, the independents are considerably more conservative about cutting taxes and increasing spending than either the Democrats or the Republicans. On foreign and military matters, the National Unity Campaign platform lies closer to the old bipartisan foreign policy — restraint in new weapons systems, a greater effort to limit strategic arms, more accommodation with the Soviet Union — than either the Democratic or the Republican platforms is a whole.

Within three weeks, Anderson policy advisers plan to supplement the platform with a detailed budget analysis, estimating costs of the new programs, savings and where the revenue will come from to approximate a balanced budget.

Such an accounting will be a novelty for presidential campaigns. Ordinarily, the platforms of both major parties run heavily toward promises of more government service and lower taxes, with little or no attempt to indicate how much

income would be required to finance an overall package.

The Anderson-Lucey program differs markedly from party platforms in that it represents a personal pledge by the candidates to work for its provisions. Controversial planks in the Democratic and Republican platforms are often ignored by candidates during the campaign and thereafter.

The independent platform was also the product of a different process: consultation by more than a dozen Anderson aides with a wide variety of outside authorities, followed by a draft personally reviewed by the Illinois congressman. The major party platforms were amended at the subcommittee and committee level, and, in the Democrats' case, fairly extensively on the convention floor.

Some of the material in the program had been outlined earlier by Rep. Anderson in campaign speeches, but other proposals were either new or more detailed. Among the major planks were those calling for:

- A "wage-price incentives program" under which labor and management would negotiate "fair and realistic guidelines" with both labor and management enjoying "tax-based incentives" as long as they continued to comply with the agreement. The platform opposes mandatory wage and price controls, as do both President Carter and Ronald Reagan, the Republican nominee.

- Indexing of tax brackets — to prevent inflation from automatically imposing higher rates — as a first break for taxpayers after the budget has been balanced. Additional tax reduction would await "further economies ... in federal spending."

- A series of new tax advantages for both individuals and businesses designed to promote saving and capital investment, including higher exclusions for dividend and interest income, more investment credit benefits, and incentives to promote more research and development by industry.

- Combating unemployment by promoting jobs in the private sector rather than a "bloated government payroll," with public jobs restricted to teen-agers who are members of minority groups.

- A campaign to "deter overutilization and wasteful treatment under Medicare and Medicaid," and a gradual expansion of health insurance, grounded "in the existing private structure," to the 22 million Americans not protected now.

- An effort to "rationalize the welfare system" that would consider uniform applications for the mostly widely used programs — Aid to Families With Dependent Children, supplemental security income, Medicaid and food stamps — but would emphasize more earned income for welfare recipients rather than more benefits.

- An assessment of the future role of nuclear power "in light of its dependence on public subsidy and of the possibility that slower growth and demand may enable us to phase in other energy supplies in preference to nuclear systems."

U.S. Legislator, 3 Others Convicted of Taking Bribe

(Continued from Page 1)

be Abscam (Arab scam) case, in which government agents encouraged members of Congress to take bribes for aiding a fictional sheikh.

Another result of the verdict is that the government now seems certain to move to compel Mr. Cullen's testimony at the upcoming bribery and conspiracy trial of Rep. John Murphy, D-N.Y., and Frank Thompson, D-N.J., two powerful House committee chairmen who also have been indicted in an Abscam case.

Judge Pratt had planned to keep the jury deliberating until 11 p.m. today, but the jurors asked to continue for another hour, and brought their verdict in at 12:12 a.m. yesterday.

The foreman, Nancy Biedry, a physical therapist from Glen Cove, N.Y., said "guilty" 12 times as the judge's clerk asked her the verdict.

French Journalist Freed by Bolivia

LA PAZ, Aug. 31 (UPI) — The Bolivian government has freed Albert Brum, a correspondent for Agence France-Presse, who was arrested last Monday and accused of spreading "lies" about Bolivia in connection with a dispatch dealing with the brief detention of Jorge Salinas, half-brother of former President Hernan Siles Zuazo. Mr. Brum, a French citizen, was released Friday evening from the Interior Ministry. He said he was treated well during his detention.



Craig Crimmins, 24, shields his face from photographers as he is escorted to arraignment in New York Saturday for the murder of Helen Hagnes, 31, a violinist who was killed when she was thrown from the roof of the Metropolitan Opera last month.

Stagehand Held in Murder Of Violinist in New York

By Robert D. McFadden

NEW YORK, Aug. 31 (NYT) — A stagehand at the Metropolitan Opera was charged yesterday with the slaying of Helen Hagnes, the 31-year-old violinist killed last month from the roof of the opera house at Lincoln Center for the Performing Arts.

After an intensive homicide investigation, police seized the vacationing suspect, Craig Steven Crimmins, 24, outside his home in the Bronx Friday night and booked him in Manhattan early yesterday.

The suspect was arraigned and ordered held on Rikers Island without bail until a hearing next Friday. No formal plea to the murder charge was made, but Robert Ellis, a lawyer representing Mr. Crimmins, said that his client had "maintained his innocence."

The police reiterated yesterday that investigators believed that the killing was sexually motivated. Sources close to the investigation said that the stagehand, who had been employed at the Met for four years, had made "admissions" under questioning Friday night and had been booked on the basis of these and three other principal items of evidence — a partial fingerprint of Mr. Crimmins found on the Met roof; a police sketch, which resembled him, of the last person seen with the victim alone in a backstage elevator; and inconsistencies in his account of his movements at the opera house on the night of the murder.

No Lawyer Present

Police said that no lawyer had been present during the suspect's interrogation Friday night. Mr. Ellis said that he had been hired after the formal booking at 1 a.m. yesterday.

The police acknowledged that Mr. Crimmins had been a suspect for several weeks and that his arrest had been hastened by news accounts late Friday noting that investigators had focused on a stagehand as the prime suspect. Sources of those accounts had said that no arrest appeared imminent because detectives had not assembled enough concrete evidence.

But Chief of Detectives James Sullivan, who announced the arrest at a mid-morning news conference yesterday, called it a "good case," although he declined to disclose any of the evidence or to say what led detectives to the suspect. He also said that no other arrests were expected, but that the inquiry was continuing in an effort to strengthen the case.

Mr. Sullivan said there were no indications that the suspect knew Miss Hagnes and that investigators believed that the victim had met her killer in a chance encounter somewhere backstage during a performance of the Berlin Ballet the night of July 24.

Miss Hagnes' body was found on a ledge in an airshaft at the rear of the opera house the next morning. An autopsy showed that she had been alive when hurled made, bound and gagged — from the sixth-floor roof, and had died of skull fractures and other injuries from the 60-foot plunge.

'Artistic Appointment'

Initial police reports said that Miss Hagnes had vanished after telling an orchestra colleague that she was going to keep an "artistic appointment" with the ballet's leading dancer, Valery Panov, in his dressing room.

Mr. Panov said then that he did not know Miss Hagnes, had had no appointment with her and had

Miami's Changing Identity: A Tale of Three Cities

By Jo Thomas

MIAMI, Aug. 31 (NYT) — The two shocks of black rioting in Liberty City and the wave of Cuban refugees, which made Miami an international catchword for both hope and despair, are still deeply felt here but are surprisingly difficult to see.

Fleets of white cruise ships still line up in the turquoise water. Condominium penthouses priced at \$1.2 million are sold, without advertising, before a Coconut Grove building is off the drawing boards. A South American shopper buys every small-size dress in a downtown store. It is the off-season. On Sundays, everyone goes to the beach.

The Liberty City section, with its housing projects, its wreckage and its anger, is well out of sight for visitors. So are most of the 60,000 Cubans who have come here since April. Fewer than 1,000 are housed in the hot and cheerless tent city underneath Interstate 95. The congestion in Hialeah and Little Havana, where eight cars may be parked in a single yard, infers where the rest have gone.

By almost every statistical index, Miami's position as a magnet for tourism, shopping, banking, and commerce has not been touched.

International tourism in May, the month of the riot, was up 39 percent from May of last year. Retail sales of durable goods, which were down nationally, were up 19.7 percent. In Dade County, real estate values have risen \$12 billion in the last year and a recent sale of \$20.5 million in bond anticipation notes by worried county officials was a resounding success.

Image and Fabric

Many businessmen, politicians, and civic leaders agree that what has changed is Miami's image.

"I just spent three weeks on the road, and it was amazing," said Bill Talbot, executive assistant to the Dade County manager. "People would say, 'Oh, how bad was your house burned? Aren't you afraid?' People think everything from the Broward County line has been burned and what's left are refugees. We on a local level know that's just not the case."

What is true, he conceded, is that "the fabric of the community has been shaken, going through this trauma."

The riots, touched off by the acquittal by an all-white jury of four white policemen accused of beating a black insurance agent to death, took 18 lives and cost businesses more than \$100 million.

Two months later, the housing projects in Liberty City erupted in sniper fire, arson and bottle-throwing. That violence, in which 39 persons were injured, was sparked by efforts of white police officers to arrest two black robbery suspects.

Federal agents, prosecutors, and a grand jury began investigating allegations of police brutality, and two former officers have been indicted for alleged civil rights violations.

Some local law enforcement officers, in turn, have termed the indictments "persecution of police officers for political purposes," and last Tuesday some 150 officers demonstrated against the federal investigations.

Community leaders have expressed concern that tangible help for Liberty City has been slow to appear. Federal aid was announced — \$90 million — but agencies could not start most programs quickly. The assumption is that Liberty City should be repaired. But there are those who have doubts.

"I don't think Liberty City has any future at all," said Dan Paul, a Miami lawyer. "When they built

the expressway, they saw the black business section as a slum, so that put Interstate 95 right down the middle of the area and destroyed it."

"I have a dim view of black ghettos all over the United States. There's increasing isolation," Mr. Paul said. "Here the Cubans are all over town soliciting jobs. I'm afraid the blacks have fenced themselves into a closet."

Marvin Dunn, an associate professor of community psychology at Florida International University, wrote in a long article for Tropic magazine that whites and middle-class blacks have little patience with poor blacks.

"We simply must have a place to put them other than our own ghettos," he wrote. "Projects serve that purpose extremely well."

What Miami has realized in the last few months is that its geography can be bitter as well as sweet: the city's location makes it unattractive to heavy industry; it has kept its air and water clean; its downtown looks as if it had just had a scrubbing; its tourists spent \$7 billion last year and accounted

for 50 percent of the economy a one out of four jobs.

Miami's geography also made the port of entry for hundreds thousands of Cubans in the early 1960s. In 20 years they have lived dying neighborhoods a turned Miami's downtown into Latin-American commercial banking center where economic movement in Caracas is felt more keenly than the recession in Detroit.

Some 18 percent of all families in Dade County is now owned by foreigners. One-third of all new homes recorded are in the names of foreign corporations. A house Key Biscayne that once sold for \$10,000 may now bring \$250,000.

As for the new refugees, however, "a lot of them are not happy," said Rep. Claude Pepper, D-Fla. "If they are not blessed with relatives, they're very unhappy."

"On the other hand, a lot of local people — what the Latinos call Anglos and what we call Americans — are unhappy because they have to spend money to take care of these people, and they're taking jobs from some of the local people."

Bilingualism

Last Tuesday a group called Citizens of Dade United submitted 44,166 signatures on a petition to repeal the county's official policy of bilingualism, or conducting business in both Spanish and English. Even if successful, the petition drive would have no effect on one of its backers' most common complaints: the requirement that one speak Spanish as a condition of employment in some jobs.

"I don't deny the seriousness of the [refugee] problem," said Monsignor Bryan Walsh, director of Catholic Charities for the Archdiocese of Miami. "It's taken all my work for the last three months. But I feel solid optimism. We haven't received one single unit of public housing because of refugees in the past 20 years. We've been screaming since 1966, as we watch the waiting list for public housing go up."

Despite all of that, the Miami community, particularly the Cuban community, has absorbed 60,000 people. If we had a 99 percent success in anything else in this world, we would be screaming. A lot of people who are doing the complaining are not the least bit impacted by this. They don't realize the benefits they are gaining from tourism and trade with Latin America and all the other economic development which has occurred."

Cubans in Lima Release Jet Hostages, Surrender

LIMA, Aug. 31 (AP) — The 168 Cubans who forced their way aboard a Braniff DC-8 jetliner Thursday in a bid to gain refuge in the United States released their 16 hostages yesterday and surrendered to Peruvian authorities. They were transferred to temporary refugee camps near Lima.

U.S. officials in Washington said they would not count the attempted hijacking against potential Cuban emigres and would speed up the review of visa applications from Cuban refugees in Peruvian camps.

Peruvian Transportation Minister Fernando Chaves said no charges would be lodged against the men, women and children who took over the plane just before midnight Thursday.

One of the Cubans, Pedro Fernandez Cruz, told reporters, "President Carter has got to take us. He's got to solve our problem."

Diplomatic sources said the Cubans surrendered after being assured that they would not be charged but that if they did not give up they would be arrested and tried for air piracy.

The refugees were among about

400 Cubans who smashed through glass doors at the Lima airport, dodged gunfire from security guards and rushed the Braniff jetliner, which had made a scheduled stop on a Rio de Janeiro-San Francisco flight. Three of the men who made it inside the plane were slightly wounded by bullets, authorities said.

The crew hurried off the plane before the refugees managed to get up the passenger ramp, but 16 passengers were taken hostage.

Authorities said the Cubans, including 25 children aged 4 to 16, demanded to be flown to the United States, where many hoped to join relatives who also had left Cuba.

The refugees were said to be armed with no more than a single knife, but some of them dismantled airliner seats to fashion crude clubs and threatened to burn the plane unless they were flown to the United States. A Braniff source said the plane was not seriously damaged.

The Cubans were among refugees who crowded into Peru's embassy in Havana seeking political asylum and were flown to Peru.

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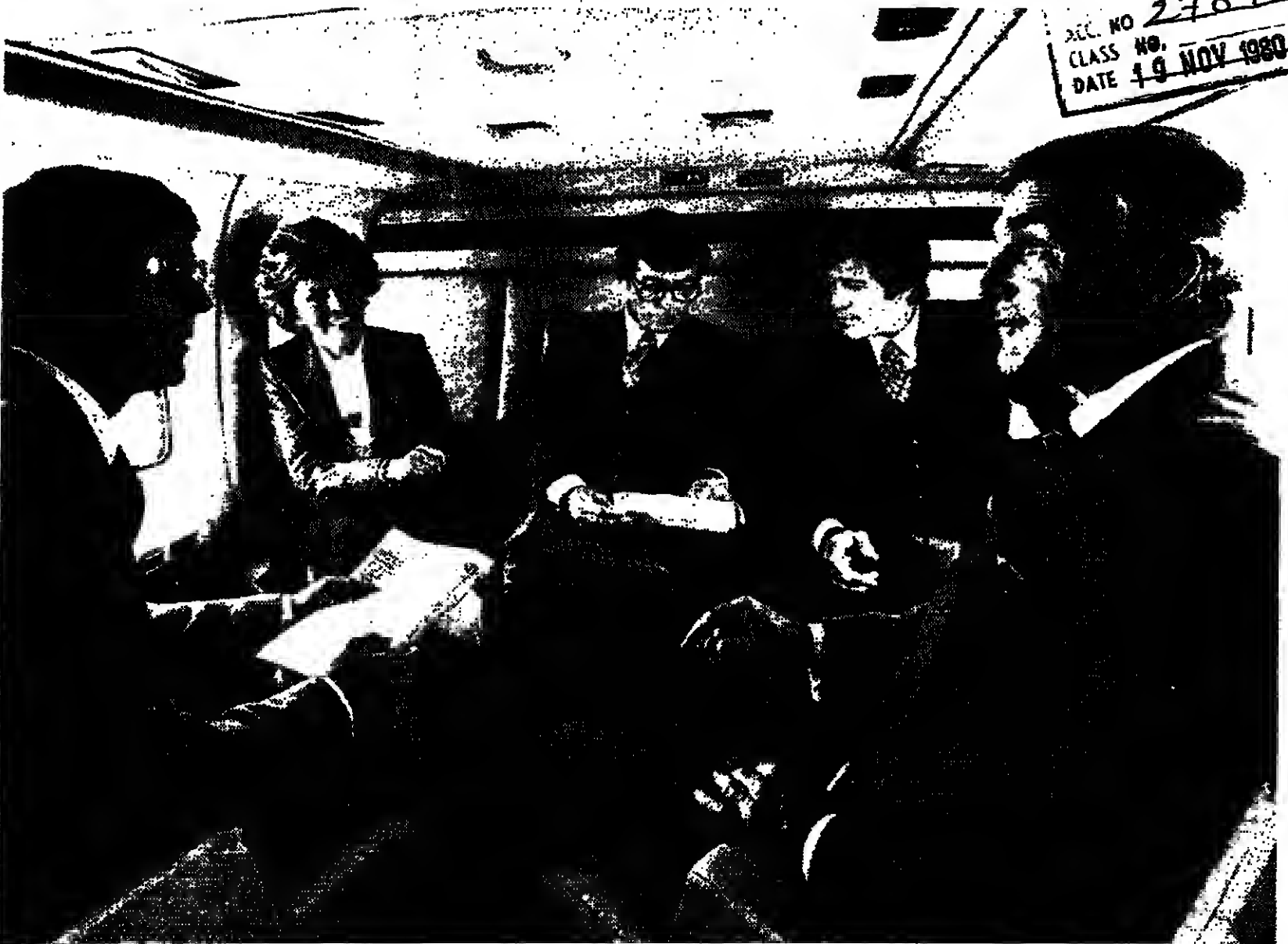
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How to Help the People

If all the troubling questions raised by the rebels' rebellion in Poland, one of the least mediate but most important in the long is what the West, especially the United States, can do to help the people of Eastern Europe. What is productive and what is not? Would the West unintentionally stabilize communist governments with infusions of money because some of that aid will trickle down to ordinary workers and their families? Should aid be withheld to promote conditions like those that led to the Polish uprisings? Should the president of the United States receive Soviet dissidents in his office and should the U.S. Congress enact legislation that ties trade to emigration? Or is it better to avoid getting involved in the East's internal affairs?

The beginning of an answer, of course, is that there is no single answer. A rigid, ideological approach is inappropriate because situations vary widely and the goal is not consistency of method, but consistency of results. Poland, Hungary, Romania, Czechoslovakia, Bulgaria and East Germany are so different in the characters of their people, of the men who lead them, in their geography, their links to the West, their economies and many other factors, that they must be assessed individually. Eastern Europe is no longer the monolithic bloc it was in Stalin's day. The widespread strikes in Poland, for example, would be unlikely elsewhere in the bloc, but for different reasons in each country.

The Soviet Union is a case unto itself. Here are those who argue that trade is the lever the West has with the Russians and that by expanding business contacts, by nudging Soviet society toward consumerism, by industrializing democracies can influence social change and the attitudes of the new generation of leadership that will succeed the

present gerontocracy. That argument is ultimately unpersuasive, though, because control is so centralized in the Kremlin that the leadership, despite considerable economic problems, will probably be able to keep dissent from getting out of hand. State control is the essence of Communism, and the men in charge will do everything in their power to prevent it from being jeopardized. Furthermore, no one has presented any convincing evidence that the next generation will differ from the present one in this critical respect.

Trade with Moscow, therefore, should be aimed at serving U.S. economic interests, when they do not conflict with political interests, and obtaining short-term political goals when that seems possible. On human rights, too, a case-by-case approach is required, but the Soviet leaders must constantly be reminded that the West cares deeply about human rights and that any softening of repression will draw favorable responses.

In the Polish case, there is little the United States or other Western countries can do immediately. Serious economic reform is needed in Poland. Such reform is more likely if the workers can be persuaded that it is in their interest, even though an immediate result will be higher prices. They won't be easy to convince, but they might be a bit more inclined to give a chance to a new leader such as former foreign minister and economic liberal Stefan Olszowski. That, of course, is not something the West should be caught trying to influence. But if Mr. Olszowski should succeed party leader Edward Giersek and attempt to institute reforms, the West could offer support that would be in the interests of both the people and the government. Such opportunities are rare and when they occur they should not be missed.

INTERNATIONAL HERALD TRIBUNE

'A Great Vital Force'

The strikers of Gdansk have, among other things, blown the cobwebs from an old and cherished doctrine that is usually more honored in song than in life. Trade unionists and revolutionaries alike have claimed a special virtue for the workers of the world — a solidarity that transcends flags and frontiers. The sentiment was best expressed not by Samuel Gompers or Karl Marx, but by Abraham Lincoln, in an 1864 letter to the Workmen's Association of New York: "The strongest bond of human sympathy, outside of the family relation, should be the one uniting all working people, of all nations, and tongues, and kindred."

Time and again, however, that bond has proved frail as one or another nation recruited its workers for war against workers elsewhere. Sometimes, as in Cambodia today, both sides flaunt the same red flag and may even sing the identical anthem, "The Internationale." And, more routinely, trade unions have frequently clamored for tariff protections that had the effect of begging working brothers and sisters abroad.

Still, the ideal persists. One measure of its force has been the International Labor Organization, an agency established in 1919 to foster the interest of workers and the development of trade unions. The ILO has provided a world forum sufficiently important to induce Soviet bloc nations to join the organization and to pay lip service to its various conventions while actually pursuing more congenial political games. So blatant, and mischievous, did these games become that the United States withdrew from the ILO, in 1977, rejoining this year on the understand-

ing that it would again concern itself with labor issues instead of irrelevant assaults on Israel.

Which brings us to Gdansk, where the shipyard insurgents have had the wit to examine an ILO convention adopted in 1948. It proclaims the freedom of association and the right to organize. Article 3 asserts: "Workers' and employers' organizations shall have the right to draw up their constitutions and rules, to elect their representatives in full freedom, to organize their administration and activities and to formulate their programs. The public authorities shall refrain from any interference which would restrict this right or impede the lawful exercise thereof."

In Communist countries, where the state and the employer are one, this is incendiary stuff. Topping the list of demands made by the Gdansk strikers was a call for "acceptance of free trade unions independent of the Communist Party and of enterprises, in accordance with convention No. 87 of the ILO ... which was ratified by the Communist government of Poland." If the strikers are able to establish that right, it will owe little to the efficacy of the ILO. But the inspiration and utility of its convention have surely mattered.

To Americans, a call for free unionism is not a cause but a piety. Yet the first American Labor Day was proclaimed in 1882 partly to affirm that the industrial spirit is a "great vital force in every nation." Anyone who believes that the force is spent should try to tell it to the workers of Gdansk.

THE NEW YORK TIMES

Qualms About Chemicals

One of the hottest debates in the field of public health these days is over the question of whether the cancer rate is increasing or not. For years most experts believed that it was not, and many argued that if the cancers caused by smoking were discounted, the rate was actually falling. But a few months ago, National Cancer Institute scientists published new evidence from cancer surveys that they believe demonstrates a dramatic rise in the rate during the past decade.

Though the NCI's data are open to criticism on many grounds, they are convincing enough to have reversed the general consensus. For example, the American Cancer Society's 1979 edition of Cancer Facts and Figures contained the statement, as had previous editions: "The overall incidence of cancer decreased slightly in the past 25 years." The 1980 version reads: "The overall incidence of cancer decreased slightly from 1947 to 1970, but has increased between 5 and 10 percent since 1970."

This apparent reversal in the cancer trend has major implications for public health, for government regulatory policies and for the national economy, because many believe that much of the increase has been caused by ex-

posure to chemicals. The chemical industry began a period of explosive growth in the '40s and early '50s. Since most cancers have a latent period of between 20 and 30 years, the timing is highly suggestive. And since the industry has continued to grow, this theory — it is still only that — suggests that the cancer rate will continue to climb in the years ahead.

The problem with all these data is that no one knows what they mean. The fact that a chemical can be shown to be present does not mean that it is a health threat. Conversely, with so many chemicals distributed throughout the environment, tracing a particular health threat to the guilty chemical(s) is nearly impossible. And as the cancer debate shows, even discovering that a health threat exists is no easy task. The optimists in that debate believe that the facts will become clear in five to 10 years — the pessimists believe that the answers may never be clear.

The important thing to remember is that what is known — really known — about chemical dangers at the moment is a tiny fraction of what remains to be discovered.

THE WASHINGTON POST

In the International Edition

Seventy-Five Years Ago

September 1, 1905

ST. PETERSBURG — At the last minute, the publication of the communique relative to the conclusion of peace was adjourned in order to give priority to the despatch in which M. Witte, the Russian envoy, announced to the Tsar the submission of Japan to Russia's conditions. The newspapers here, far from laying stress on the diplomatic victory, criticize the conditions of peace and set forth the advantages obtained by Japan. Thus, as a piece of special pleading, they assert, with evident exaggeration, that the fisheries on the Sakhalin coast constitute a source of incalculable riches. Some even do not stop at bitter criticism of the peace terms.

Fifty Years Ago

September 1, 1930

GENEVA — The price of international peace, as preserved by the League of Nations, is expected to amount to about \$6 million in 1931, the sum expected to be fixed as the League's budget for next year, though only about \$3.3 million of it goes to the upkeep of the League itself. About \$400,000 will be devoted to the building fund for the erection of the League's new group of buildings in Geneva, while other sums will be appropriated for the League's disarmament commission and its international health work. About \$100,000 will be devoted to the League commissions on social problems, such as white slave traffic and drug smuggling.



Finding New Faults in U.S. Business

By Stephen Klaidman

WASHINGTON — Like an adolescent in psychoanalysis, U.S. business tends to blame its troubles on others. Government is usually cast as the erring parent. Over-regulation and onerous tax and monetary policies are the scapegoats, the traumatic toilet training of industry.

But recently, revisionist analysts have found some new answers in the boardroom, not the bureaucracy. U.S. corporate managers are being accused of demanding bottom-line gratification at the price of future security, an infantile characteristic often ascribed to Americans in general by more history-conscious Europeans.

If the analysts are right, and their arguments are often compelling, so Democratic or Republican reindustrialization therapy can provide a cure. What's missing are executives with the nerve to encourage risky but exciting new products, even if it means forgoing short-term profits, and structural changes to encourage creative management.

With rare exceptions such as the booming semiconductor industry, imaginative technological innovators are being replaced in top corporate jobs by dispassionate administrators whose six-figure bonuses are pegged exclusively to return on investment. They are more concerned with mergers than new markets, with immediate profits rather than long-term competitiveness.

Stockholders

In the latest issue of the Harvard Business Review, Prof. Robert Hayes and William Abernathy quote this view from a Japanese observer: "Somehow or other, American business is losing confidence in itself and especially confidence in its future. ... Success in trade is the result of patient and meticulous preparations, with a long period of market preparation before the rewards are available. ... To un-

dertake such commitments is hardly in the interest of a manager who is concerned with his or her next quarterly earnings report."

The new wave of lawyers, accountants and MBAs, often with stockholders' dividends in mind, has cut back sharply on research and development since the mid-1960s — and also on capital investment. According to Hayes and Abernathy, between 1966 and 1976 capital in-

CROSSCURRENTS

vestment as a percentage of GNP in France and West Germany was 20 percent greater than in the United States; in Japan the rate was almost twice that of the United States.

One key difference is that the Japanese, and to a certain extent the Europeans, rely far more on bank financing than do U.S. corporations, which prefer equity financing. As a result, they need pay far less attention to satisfying stockholders and can afford to take a longer view.

James Fallows writing in the Atlantic monthly quotes a Kaiser Aluminum official as saying: "The difference with the Japanese companies is that they do everything in the long run. If they have a market for one million tons, they build a plant for four million. Then they lose money until they hit the break even point, but eventually it pays off."

The lack of vision, competitiveness and will in American business leadership is not all that different from the indecisiveness and lack of direction in U.S. foreign policy in recent years. It is only partly due to the training, temperament and style of the managers.

It is also rooted in this country's uncertainty about its place in the world now that its military and economic dominance are no longer total. Trade deficits, a weak dollar, energy de-

pendence, and strategic parity and tactical inferiority with respect to the Soviet Union have all contributed to the mood.

Confidence

American businessmen, once sure that tomorrow would take care of itself, were able to concentrate on next week. But their approach is now tenuous, and they seem unable to respond to any but the most immediate challenges. With the prospects of another oil shock always looming, U.S. entrepreneurs are mired in caution.

But countries like West Germany and Japan, both rebuilt by the United States after World War II, are still surging upward on a wave of confidence and are unaffected by the same paralysis. Sen. Lloyd Bentsen (D-Tex.) told a recent Harvard conference on competitiveness: "I can assure you that our competition in the world of trade is more than ready to make market investments that may not pay off for a decade. They are willing to spend years positioning themselves to conquer global markets."

Meanwhile, the U.S. lawyers and accountants scan their financial reports, generally content to serve the same old markets by making marginal improvements in the same old products.

At the same conference, Harvard Dean Henry Rosovsky summed it up when he made the comparison with the Britain of 1880: "British entrepreneurship had become flabby; growth industries and new technology were not pursued with sufficient vigor; technical education and science were lagging; the government-business relationship was not one of mutual support. When we look at our own country today in the perspective of history, the danger signals seem obvious."

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Rhetoric and Reality on the Economy

By Joseph Kraft

WASHINGTON — Rhetorically, the economic programs published last week by President Carter and Gov. Reagan stand far apart. In reality they come close together. While both are far from silly, neither is apt to advance the country decisively toward a solution of basic economic difficulties.

The fundamental trouble arises from a kind of arthritis at critical joints in the economy. Several basic industries — autos, steel, rubber, chemicals — have become unresponsive to changing conditions. They have lost their competitive edge in this country and abroad.

A main reason is collusion between management and labor. Those supposed adversaries actually come together in accord that regularly raise wages far above

commensurate increases in productive efficiency. The public is made to pay in the form of higher prices. The result is a vicious cycle of economic decline in which inflation mounts, recessions recur and unemployment rises.

Inflation mounts rapidly to higher and higher levels during every period of brisk business. Thus in 1974 the Consumer Price Index reached 12 percent and finally settled at 6 percent. This year it jumped to 18 percent and seems likely to settle at 9 percent.

With each inflationary peak, more and more customers stop buying American goods. Recessions follow and the subsequent recovery tends to end with higher rates of unemployment. Thus the recovery from the 1971 recession

ended with the jobless rate at around 4 percent. The recovery from the 1975 recession ended this year with unemployment at 5.7 percent.

The rhetorical Republican answer to the problem is "supply side" economics. The theory is that genuine shortages of goods and skills entrench the basic industries. The shortages can be relieved by productive investment. But to stimulate productive investment, money must be moved steadily from government into the hands of business and the more affluent private citizens. So Gov. Reagan favors a 30 percent tax reduction over the next three years.

The real Republican program, however, does not follow the rhetoric. It calls for a tax cut of about \$30 billion next year. Roughly two-thirds of the money would go to private consumers. Only a third would go to business.

That is almost exactly the ratio of the tax cuts enacted in 1964 and 1975 as anti-recession packages. In both cases there followed recovery and an inflationary surge. There is no reason to believe it would be different this time.

The real Democratic program, as announced by the President at the White House last Thursday, is quite similar. It centers on a tax cut of \$27 billion in 1981. About half would go to business and half to private consumers. Individual beneficiaries, however, would be poorer people most likely to consume. So it is not clear that there would be a big shift to investment and away from an inflationary surge.

The Democratic rhetoric by contrast stresses "industrial revitalization." Federal funds would be targeted to troubled industries — notably automobiles and steel; to down-and-out communities, especially in the industrial Midwest; and to low-income families deficient in working skills.

The president has also established an Economic Revitalization Board, chaired by Irving Shapiro

of DuPont and Lane Kirkland of the AFL-CIO, to work out more cooperative relations among labor, business and government. As a first step, Carter asked the board to "develop specific recommendations for an industrial development authority ... to mobilize both public and private resources ... to help revitalize American industry."

Re-Industrialization

That sounds like the re-industrialization program some of us have been pushing. But a top union leader and a captain of the chemical industry, however admirable as men, do not exactly commend themselves as the best doctors for an arthritis that their colleagues brought about.

Moreover, the president talks of "recommendations" not commitments. He was won over to the board concept only last week at a meeting in the Oval Office with Mr. Kirkland. His record — balanced budget in January, austerity program in March and now a recovery program — is the essence of stop-go economics.

On balance, the Democratic rhetoric sounds better politically than the Republican rhetoric. But there is reason for skepticism about both parties. For in both programs the tax cut bait that alone can ensure responsible behavior in future years is given away early in 1981.

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Reagan's Shaky Beginning

By David S. Broder

COLUMBUS, Ohio — Long after midnight the other night, lights-sleeping reporters in the venerable Neil House Hotel heard the rustle of papers being slipped under their doors. Those who slept under their covers to bed to what was being delivered found a packet and read:

"Memorandum for the President from Lyn Nofziger [Ronald Reagan's press secretary]: Substantial changes have been made in Gov. Reagan's speech before the International Brotherhood of Teamsters' Ohio conference today, Aug. 27, 1980. Gov. Reagan will stand by any material that has been deleted from the speech."

Thus, the press and the world learned of the latest — but certainly not the last — swerve in the somewhat storm-tossed shake-down cruise of Ronald Reagan's presidential campaign.

In this instance, the nominee had been braced on his arrival in Columbus by Ohio's formidable governor, James Rhodes, who has a talent for bluntness that often extends to hyperbole. Rhodes has some firm ideas about what Reagan should say to the Teamsters. Comparing those thoughts with the rather limp prose of the speech that had been handed to reporters on the plane, Reagan and his staff felt called upon for some midnight rewrite.

The main change was to hype the description of the condition in which President Carter's economic management had reduced the country. In the original version, the United States was in a "recession," but in the revised version it became a "severe depression."

'Depression'

It might have gone without comment, had not the reporters learned the next morning that, in their eagerness to please Rhodes, Reagan's rewrite men had neglected to consult Alan Greenspan, their economic guru and former chairman of the President's Council of Economic Advisors, who had been sleeping in a room just down the hall.

Thus, when Greenspan awoke, he was as astonished as anyone to learn of the overnight deterioration in the state of the economy. When pressed, he allowed that "severe depression" was not the diagnosis he would have rendered if asked for a professional opinion, which he was not.

His experience was rather akin to George Bush's in Peking a week earlier. Carter's vice presidential running mate found that his effort to convince the Communists that Reagan was only fooling about restoring "official" relations with Taiwan was undercut by Reagan's untimely decision to reiterate that he had exactly that in mind.

When Bush got back, the Taiwan confusion was corrected by the issuance of a definitive nine-page statement. But in the meantime, Reagan had said some things that indicated that he would like, as president, to rewrite the textbooks to be sure that the Vietnam war was described as a "noble cause" and that the theory of evolution was given no higher scientific status than the Biblical doctrine of special creation.

The impact of all this on the Reagan campaign has been to create some doubts that the man they fondly call "the oldest and wisest" necessarily has a clear compass fix on the best route to the White House.

Glitches

The problem is clear, but the Reaganites need not despair. All is not lost. This kind of wobble is anything but unusual in the early weeks of a presidential campaign.

Four years ago, it was Jimmy Carter who came out of the starting blocks with a terrible limp. Carter found himself that first fortnight in September apologizing to the FBI director for implying crookedness in a gift from employees to the director's ailing wife, bickering with a cardinal about speaking in a Philadelphia church, and showing up at a Scranton factory where no one knew he was coming.

He managed to survive these faux pas — and to wind up in the White House — because the Reagan operation has some very loose links, and obviously, too, the candidate has not yet learned that every word and nuance of his public utterances now will be dissected by a watching — and skeptical — press corps.

But most of what occurs before the first presidential debate is rendered irrelevant by the performance of the candidates in that debate. If the organizational loops are closed and Reagan's missing held in check, there is plenty of time to reclaim whatever ground has been lost.

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Pakistan Cracks Down on Soviet Aides To Protest Campaign Against Zia Rule

By Stuart Auerbach

ISLAMABAD, Pakistan, Aug. 31 (WP) — Pakistan has begun cracking down on activities of Soviet diplomats based in Islamabad, in an attempt to stem a Moscow-inspired campaign attacking the government of President Mohammad Zia ul-Haq.

The government ordered the Soviet press and information office in Karachi to close and said the number of Soviet diplomats attached to the embassy in Islamabad should be halved.

With close to 100,000 Soviet troops in neighboring Afghanistan, the Pakistanis made an apparent attempt to soften the blow by ordering new travel bans on all diplomats stationed in the country, while saying privately that the restrictions are aimed solely at Eastern bloc nations.

Government officials refused yesterday to give any reason for the travel restrictions, which require diplomats to apply for permission seven days before any trip outside the city to which they are assigned.

But officials in the Ministry of External Affairs told Western diplomats at receptions this weekend that the restrictions are not aimed at them and will be applied only to the Soviet Union and other Eastern bloc nations. According to one European ambassador, government officials said that Westerners can ignore the restrictions and not even bother to request the permission.

Nonetheless, the diplomatic corps plans to make a formal protest to the government about the restrictions.

Open Threats

Moscow has openly threatened Pakistan for its strong opposition to the Soviet presence in Afghanistan and for its inability to keep Afghan rebel forces from moving between the two countries.

Radio Moscow and Tass regularly assail Pakistan as "a lackey of American imperialists and Chinese chauvinists," and Soviet Foreign Minister Andrei Gromyko warned Islamabad in January against helping the rebels. According to reports reaching Islamabad last week, the Soviet ambassador in Kabul told a West European dip-

lomats that, if Pakistan does not close its border to rebel forces, the Russians have ways of forcing the closure.

As if to underscore the press and diplomatic warnings, Soviet jets have made numerous incursions over the border during the past year. In many cases, the Pakistanis did not fire until it was too late. But a few times, Islamabad sources said, they had a chance to scramble their own jets and held back.

Once in the spring, Pakistani jets did try to force a slow-moving Soviet transport plane that strayed over its territory to land at the airfield in Peshawar. But just as the plane was approaching, two Soviet MiGs flew up and all three planes went back to Afghanistan.

Neither the propaganda attacks nor the airspace violations provoked a Pakistani protest.

Repeated Attacks

What did provoke the Pakistanis, according to diplomatic sources in Islamabad, were the repeated Tass attacks on the stability of the Zia government in magazines and newspapers published by the Russians in Karachi.

"They were spreading misinformation," said a Pakistani official who asked not to be named.

Moreover, the official said, the government feared that Moscow had embarked on a campaign of subversion in Pakistan. A series of night letters spread around the politically active city of Lahore in the spring appeared to be a Soviet effort, Pakistani officials and diplomatic sources said.

Yesterday the government announced that it had uncovered an underground group of long standing in Karachi and nearby Hyderabad that was putting out clandestine literature aimed at undercutting the Zia administration.

The announcement said the group's activities were financed by an unnamed foreign power, and listed the title of one of the publications as Red Banner, an indica-

tion that Moscow was behind the operation.

According to nonaligned Asian and Western diplomats in Islamabad, the Russians have been exceptionally heavy-handed in their dealings with Pakistan. Former Soviet Ambassador S.A. Azimov was reported to have tried to "bully" Gen. Zia and to have made threatening remarks to other Pakistani officials. It has been rumored in Islamabad and New Delhi that Mr. Azimov was asked to leave by the Pakistani government.

Vacillation

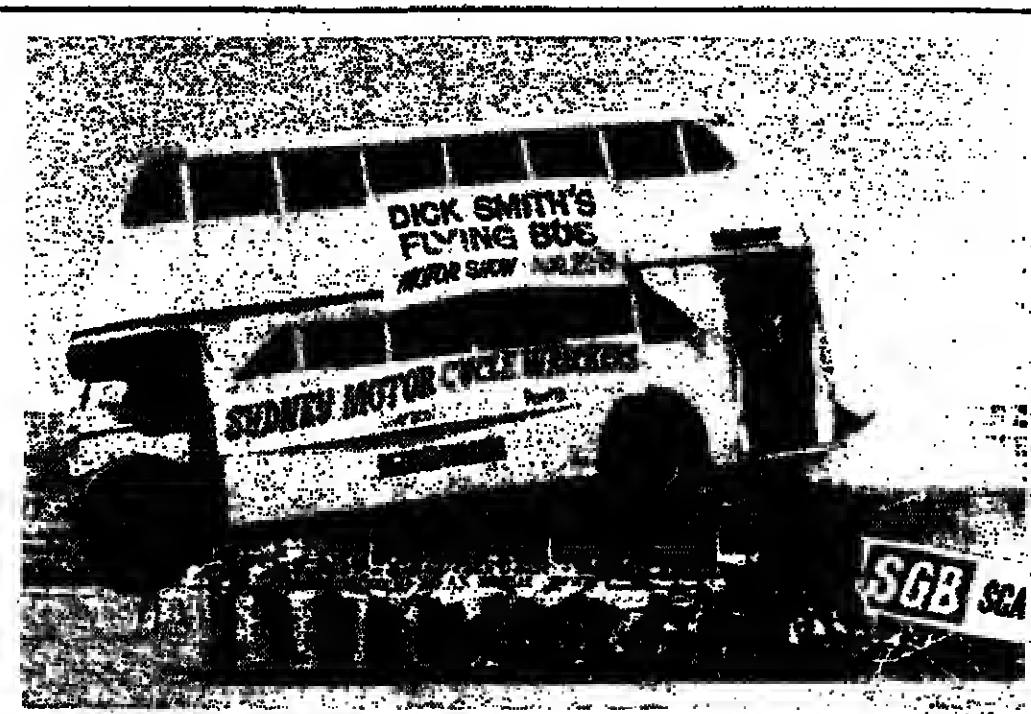
Pakistan has vacillated, since the Soviet move into Afghanistan, in its relations with the United States and the Soviet Union.

At first, President Carter pledged to support Pakistan, and it appeared that the former close ties between Washington and Islamabad would be resumed. But Gen. Zia rejected a \$400-million aid offer as "peanuts," and the relationship cooled despite a January visit by Mr. Carter's national security adviser, Zbigniew Brzezinski.

Nonetheless, Gen. Zia has stepped carefully to avoid an open confrontation with Moscow. In confirming that he had ordered the Soviet Embassy staff reduced, for example, he went out of his way to say that economic relations between the two countries remained normal and that the Soviet Union was continuing to help Pakistan build a steel mill.

The government also ordered all other diplomatic missions to stop operating their information and publicity sections from cities other than Islamabad. According to diplomats in Islamabad, however, only the Russians were affected by the order, since their entire information staff, except two press officers, was centered in Karachi.

The United States maintains International Communication Agency posts in Lahore, Karachi and Peshawar, but U.S. sources said they were not affected by the order.



FLYING BUS — Electronics millionaire Dick Smith reverses the traditional stunt with this attempt in Sydney to jump 15 motorcycles in a double-decker bus. The vehicle, driven by adventurer Hans Tholstrup, cleared 14 of the two-wheelers, nicking No. 15 on landing.

Ethiopia Sees U.S.-Somali Military Accord as Threat

ADDIS ABABA, Aug. 31 (Reuters) — The Ethiopian Cabinet announced today it had decided on "appropriate measures" to respond to the agreement signed a week ago covering U.S. use of the Berbera military base in neighboring Somalia.

A council of ministers press release did not specify what the measures were but said the Berbera agreement was a "threat ... to the very existence of Ethiopia."

The Cabinet statement said the United States was encouraging Somali aggression against Ethiopia, particularly in the Ogaden Desert.

Somalia said last week that an armed Ethiopian force crossed its northwest border on Wednesday and attacked Somali towns. Ethiopia denied that it had invaded its neighbor.

Diplomatic sources in Nairobi said a large Ethiopian force had been seen approaching the Somali border. They said it appeared intended to consolidate Ethiopia's

bold over border mountains used as an invasion route by Somalia when it launched an abortive eight-month conventional war for the disputed Ogaden region in 1978.

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Pro-Iraqi Journalist Is Slain in Lebanon

BEIRUT, Aug. 31 (AP) — A pro-Iraqi Lebanese journalist was shot and killed near his house in Beirut Friday night, his newspaper, Al Liwa, reported yesterday.

Yahya Hazzouri, 31, became the third Lebanese journalist to be assassinated this year. Al Liwa said Mr. Hazzouri was machine-gunned while buying bread for his family from a bakery near his house in the Moslem neighborhood of Chiyah.

Iranian Ministers Named; Khomeini-Sadr Objects to Many

TEHRAN, Aug. 31 (Reuters) — Iranian President Ayatollah Khomeini named his Cabinet today, but many of his choices were immediately opposed by Grand Ayatollah Ruhollah Khomeini.

Mr. Khomeini, whose edicts block hard-liners over the three weeks appeared largely successful, warned today against a return of conflict.

The names read in the Majlis were not approved by me. I love of several members of the cabinet but not of others," he told afternoon daily Islamic Revolution, without mentioning names. He was particularly opposed to the nomination of newspaper editor Saeed Mousavi as foreign minister.

Political sources said Mr. Khomeini's decision to leave the defense portfolio vacant at present is a sign of the deep rift between two leaders.

Mr. Mousavi, 39, has no experience in office. He is a member of fundamentalist Islamic Republic Party and edits the party daily, the Islamic Republic. He would succeed Sadegh Ghotbzadeh, who was Oil Minister. Ali Akbar Rafsanjani, the best-known candidate for the former interim Cabinet, was also named.

Mr. Rafsanjani, 27, would take charge of Iran's crucial oil industry. The youngest member of the cabinet with an average age of 37, is one of five proposed ministers educated at U.S. universities. It is also one of five who served prison sentences for anti-shah activities before the revolution.

Kurdish Fighting

One of two proposed commerce ministers, Seyyed Assadollah Wardi, helped blow up the Iran office of Israel's airline El Al during the Shah's reign. Paris agency reported. He was tormented by the SAVAK secret police. He has damaged eyesight as a result. The Majlis is to decide whether to accept Mr. Wardi or the incumbent, Reza Zarrin.

Meanwhile, there was fighting in the Kurdish city of Mahabad yesterday after Iran sent in troops and heavy artillery to end a 10-month uprising by autonomist rebels, a judicial official said. The city is reported quiet today.

The West Azerbaijan governor, Hossein Taheri, said yesterday's fighting included a guerrilla attack on an army barracks.

Malta Asks UN to Stop Libyans

UNITED NATIONS, N.Y., Aug. 31 (AP) — Malta asked the United Nations Security Council yesterday to tell Libya to stop interfering with Maltese-licensed oil rigs on the disputed continental shelf between the two countries in the Mediterranean.

Maltese Ambassador Victor Micallef handed UN Secretary-General Kurt Waldheim a letter asking an urgent meeting of the 15-nation council on grounds that Libya had taken an "illegal action," threatening "regional and international peace" when its ships closed in on the disputed area.

Mr. Micallef said that Libya had closed in on the disputed area last November that it intended to commence drilling for oil and that Libya made written objection. Libyan warships then surrounded the rig August 29 and forced the Italian company in charge to stop drilling.

What sophisticated Europeans have in common.

International Herald Tribune

Saudis Reportedly Stiffen Warning on Oil Cutback

By Peter Behr

WASHINGTON, Aug. 31 (WP) — Saudi Arabia has hardened its warning that the United States and other industrial nations are risking a sharp cutback in Arab oil shipments unless they put more pressure on Israel to give up its claim to East Jerusalem, according to press reports from the capital of Riyadh.

The warnings are being taken seriously by U.S. experts, although they hold differing opinions on how deeply Saudi Arabia might cut production.

"I just don't know how to take it," said John Lichtblau, a respected international oil analyst who is head of Petroleum Industry Research Associates. "It can't be ignored."

The action by the Israeli parliament to annex Arab East Jerusalem and join it with West Jerusalem as the undivided capital of the Jewish state has produced a rising, increasingly sharp reaction from Saudi Arabia and other Arab states.

Talks Reported

A report Wednesday in Platts Oilgram News quoted an unnamed Saudi official as confirming that discussions were under way to coordinate "drastic production cuts with other Arab oil-exporting countries" if the Western industrialized nations fail to bring pressurized nations to change course on East Jerusalem.

"We could go to 7.5 million barrels a day, and then the next month drop to 6.5 million and so on," the official was quoted as having said. Saudi production is now at 9.5 million barrels.

The Platts report said a decision could be expected in November, after the U.S. presidential elections. It noted that the Organization of Petroleum Exporting Countries will be celebrating its 20th anniversary that month in Baghdad and that the Arab League will be meeting in Amman in November.

U.S. Assessments

Some U.S. experts believe that the Saudis are considering only a moderate cut from the current production level to the official production ceiling of 8.5 million barrels or a little under that. Supplies of crude oil and petroleum products are so large now that a cutback of that order should not cause shortages or a price spurt, provided the action did not set off a wave of panic buying, these experts said.

Other authorities see in the Saudi threat a repeat of events early in 1973, when a succession of public warnings from Saudi Arabia and other Arab nations were followed by the Arab oil boycott.

The reports from Riyadh are being accepted as accurate by officials of several U.S.-based oil companies, although they said they had no independent confirmation. "There are no unofficial spokesmen in Saudi Arabia," said one U.S. oil official. None of the U.S. officials was willing to be quoted by name because of the sensitivity of the issue.

Current Policies

Saudi Arabia's current oil policies support the optimists' view that a severe embargo is not in the offing, assuming that the Arab-Israeli conflict does not continue to escalate.

The Saudis increased oil production after the revolution in Iran to offset the shutdown of Iranian oil fields early in 1979, and Saudi production continues at 1 million barrels a day above their official production target.

Their purpose was to restore price stability by creating a worldwide surplus large enough to end the frantic scramble for oil stocks that followed the Iranian revolution.

The strategy has largely succeeded, thanks to increased production not only from Saudi Arabia's fields but also from Iraq, the North Sea, Mexico and Alaska's North Slope. Oil prices have stabilized, and by Oct. 1 the stockpiles of the 21 nations supporting the International Energy Agency are expected to reach about 436 million tons, a 91-day supply. The comparable average for the previous three years was 79 days.

Pope to Visit Britain

IN SUMMER OF 1982

LONDON, Aug. 31 (AP) — Pope John Paul II is to visit Britain and the suggested date for his visit is the summer of 1982, the Roman Catholic information service announced here today.

It will be the first time that a reigning pope has visited Britain. A spokesman said the visit will not include Northern Ireland. There are about 4.5 million Roman Catholics in Britain, where the national Protestant churches are the Church of England and the Church of Scotland.

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Urges SALT Approval

U.S. Expert Decries Trends Toward War

By Bernard Gwertzman

WASHINGTON, Aug. 31 (AP) — Marshall Shulman, the State Department's top expert on the Soviet Union, says that if trends in U.S.-Soviet relations continue, the possibility of a nuclear war "is likely to increase rather than diminish."

"We are clearly approaching the point where any kind of agreed limitations on weapons of mass destruction is hard to visualize," Mr. Shulman said Friday in a commencement speech at Ohio State University in Columbus, Ohio.

The address reflected his growing pessimism about U.S.-Soviet relations, which he has repeatedly stated in private in recent months.

He is planning to leave the State Department this fall and return to Columbia University as director of the Russian Institute.

Mr. Shulman joined the department at the request of former Secretary of State Cyrus Vance at the start of the Carter administration and played an active role in advising Mr. Vance on U.S.-Soviet and arms control matters until the Soviet military intervention in Afghanistan caused the administration to put a virtual freeze on relations.

Since then, particularly after Mr. Vance's resignation in April, Mr. Shulman has had relatively little to do with administration policymaking. Friday's speech, in a sense, represented a crystallization of his concerns.

"Terminal Myopia"

Describing U.S. and Soviet attitudes as "a terminal case of myopia," Mr. Shulman said the Soviet Union had shown "extraordinary short-sightedness" in not realizing that its stepped-up military activity around the world would "destroy the trends toward moderating its relations with the United States and the West which had a modest beginning a decade ago."

Americans were short-sighted in not approving the pending strategic arms limitation agreement, he said, because without the treaty, "we shall have in context with much higher and more unpredictable levels of Soviet nuclear weapons."

"Those who have opposed the treaty seriously underestimate the pace at which the relentless development of new military technologies is carrying us toward a higher and less stable competition in nuclear weapons, and toward a situation in which the possibility of nuclear war is greatly increased by the perception of each side that the other is preparing the capabilities for a first strike," he warned.

The Carter administration maintains that it wants the treaty ratified, but that it is impossible now to secure the needed two-thirds vote in the Senate.

"We must ratify SALT-2," Mr. Shulman said. "There is no later and better time. There will be no more propitious moment. If we do not ratify the present treaty, the world will not be bold still. New weapons will be deployed on both sides, and both the prospects for negotiations and the basis for agreement will diminish with every year that passes."

Wanda Capodaglio

CASTELFRANCO DI SOPRA, Italy, Aug. 31 (Reuters) — Italian actress Wanda Capodaglio, 91, who made her career in the 1930s performing in plays by Shakespeare, Tolstoy and Ibsen, died yesterday, family sources said.

Kidnappers Free Man

ROME, Aug. 31 (Reuters) — A Swiss-born car company executive, kidnapped by gunmen in a Rome street four months ago, was released early today after payment of a ransom, police said. They said Rudolf Oeticker, 57, was left blindfolded in a stolen car in a suburb. He was apparently unharmed but in a state of shock.



DEFACED — A Hitlerian mustache was painted on a poster for Franz Josef Strauss, the conservative candidate for chancellor, before a weekend rally for the candidate in Darmstadt, West Germany. Police said many other Strauss posters in the city were similarly defaced.

Italian Ship Deal Allowed to Stand

U.S. Moves to Block Boeing-Iraq Jet Sale

By George C. Wilson

WASHINGTON, Aug. 31 (WP) — Bowing to congressional protests, the State Department has moved to stop Boeing Co. from selling passenger jets worth \$208 million to Iraq.

The department said that it was recommending to the Commerce Department that an export license for the planes be issued in Boeing because of "Iraqi involvement" in recent terrorism.

Although technically the State Department's recommendation is not binding on the Commerce Department, the action represents a Carter administration decision to stop two Boeing 747 jumbo jets and three smaller 727 passenger liners from being sold to Iraqi Airways.

However, an earlier transaction under which General Electric engines were sold to Iraq to power frigates being built for the Iraqi Navy still stands.

"In view of recent terrorist incidents which appear to have had Iraqi involvement or support," the State Department said Friday in a

formal explanation, "and the clear sentiment of the Congress with respect to international terrorism, we have advised the American aircraft manufacturers involved" that the department cannot recommend issuance of the export licenses.

The ruling apparently was prompted by two European incidents. Two Iraqi diplomats have been accused of passing explosives to people in West Berlin who planned to use them against Kurdish dissidents. In Vienna, Iraqi diplomats were arrested and expelled on charges of trying to blow up the Iranian Embassy.

Israel has opposed the aircraft sales to Iraq. Congressional critics had said the Boeing jets could end up being used to transport Iraqi troops as well as civilians.

Decision Praised

Rep. Millicent Fenwick, R-N.J., a chief congressional critic of the plane sales and author of legislation requiring the administration to notify Congress of such transactions, praised Friday's decision in a letter to Secretary of State Edmund Muskie.

"Our national commitment against terrorism and those countries which support terrorism is greatly reinforced by this action," she wrote.

Sources said the State Department reached its decision on the planes at a meeting Thursday involving its Middle East experts.

Earlier this month, the department announced that it was going along with the Commerce Department's approval of the sale of eight General Electric turbine engines, worth \$11.2 million, for four Italian Lupo-class frigates ordered by Iraq.

"We concluded that it would not be in our overall foreign policy interest to revoke this export license," the State Department said at the time.

Congressional sources said the department asserted that going through with the engine deal had given the United States leverage to limit the amount of nuclear power supplies that Italy sells to Iraq.

The frigate sales to Iraq are part of a military deal worth about \$1 billion in Italy. The Senate voted to block the engine sales, but the House has not concurred.

Opposition May Not Be Able to Keep Unity

Challenge to Marcos Appears to Be Shaking

By Abby Tan

MANILA, Aug. 31 (WP) — It is not clear whether the Philippines' scattered opposition factions, who finally joined forces last week, can force President Ferdinand Marcos to revive democratic government even if they maintain their unity.

Eight political parties formed a National Covenant for Freedom last Friday after eight years of divided efforts to combat martial law. In a meeting at a country club they adopted a plan demanding "immediate termination of the Marcos dictatorship," unconditional dismantling of martial law, convocation of free elections and the end to what was described as foreign domination.

Diplomats present at the launching questioned whether they were witnessing a major development or a bit of political theater. Coming at a time when radical elements are setting off bombs in Manila and students and labor are protesting price increases, the rhetoric was ominous.

14 Revisions

But it took 14 revisions for the leaders to agree on points broad enough to encompass all their groups. Opposition parties in this country, one observer said, are characterized by the presence of more generals than soldiers. "Everyone wants to lead," he added.

The alliance does bring together the Liberal and Nationalist parties that dominated political life before Mr. Marcos was elected on the Nationalist ticket in 1965. He then used his faction to form the New Society Movement that now dominates the rubber-stamp National Assembly.

Former senator Benigno Aquino, who inspired creation of the National Covenant coalition, is in the United States seeking support for himself as an alternative to Mr. Marcos — or at least to neutralize U.S. backing of the Marcos government.

Mr. Aquino, on leave from jail for being a surgeon in the United States, stayed on as a fellow at Harvard University. He will send his endorsement of the covenant, opposition leaders said.

The united opposition clearly has pro-United States leanings. One insider said the opposition groups feel that as long as they remain disunited, their chances of getting the ear of the United States are slim. The United States, until 1946, the colonial power here, maintains two military bases in the Philippines.

Political Support

An opposition source said the alliance was spurred by reports that Mr. Marcos, who will be 63 in September, is in ill health. The source said, "Should anything happen to Marcos, and if the military needs to move in, it can fall back

on the united opposition for political support."

Gerardo Roxas, head of the Liberal Party, said the covenant members "intend to pursue every means to achieve our objectives. It is our intention to organize in every city and town to awaken the people in the evils of this repugnant regime and hopefully to bring public pressure on Marcos to dismantle martial law."

Former National Party senator Jose Dinkao said: "For eight years the two main political parties' machineries are in deep freeze. I can't tell exactly what strength they have now. But at least they can be heard as one voice and act together."

Much will depend on the reaction of Mr. Marcos. One observer characterized some of the 70 or so signatories of the covenant as discredited politicians who could be easily bought off by Mr. Marcos.

The government appears relaxed

about the opposition move. Marcos in his own pronouncements has often urged the opposition to unite, at least to give semblance to his contented dissent is allowed.

A senior Cabinet minister "Of course, we are interested in their unity. But we are not intimidated."

A more immediate problem for Mr. Marcos is the Muslim rebellion in the Philippines. Before the opposition could finish reading its covenant in the press and diplomats need "to rectify injustices" against the Muslim bro-

Mr. Marcos announced peace with the rebels would take place Sept. 5 and 6.

The Libyan-backed secessionist group began open declaration martial law and has since more than 50,000 casualties, has slapped the Philippine

Rebel Leader in Vanuatu

Arrested in Papuans' Raids

SYDNEY, Aug. 31 (UPI) —

Papua New Guinea troops stormed the South Pacific stronghold of Jimmy Stevens today and arrested the rebel leader of a three-month secessionist revolt on the island of Espiritu Santo, news reports said.

Nearly 100 Papuan soldiers, called to the new nation of Vanuatu by Prime Minister Walter Lini, moved without opposition into the rebel village of Vanafo, north of the Espiritu Santo capital of Luganville, the reports said.

One sailor and a policeman were wounded by rebel gunfire during an assault on a rebel outpost in the north of the island.

It took the troops only one hour to establish complete control over Vanafo, arresting Mr. Stevens and an unspecified number of others.

Floods Devastating

North India District

NEW DELHI, Aug. 31 (Reuters)

Monsoon floods continue to devastate parts of Uttar Pradesh in northern India where 894 persons have died in the past two months, the Press Trust of India reported yesterday. Floods have affected more than 20 million people in the state and destroyed or damaged tens of thousands of houses, the agency said.

Rain-swollen rivers brought chaos to five districts, isolating them from the rest of the state. Troops and government relief workers kept up their fight to evacuate thousands of people marooned in Jaipur Town, ravaged by floodwaters from the Ganges River for more than three weeks.

the Australian Broadcasting mission reported.

The raid came two days after Mr. Stevens' 24-year-old son, die, was killed when his truck blown up by a hand grenade it tried to break through a block set up near the rebels' quarters. Following the troops reportedly recovered mine and a large number of arms in Vanafo.

The arrest of Mr. Stevens ally ends his secessionist movement in the largest island former New Hebrides archipelago. About 200 Papuan soldiers, two weeks ago to help crush rebellion.

Mr. Lini, in Sydney on the Commonwealth heads-of-state meeting in India, said that the raid had gone to plan: "Yes, I think I say we have had a very quick victory. Jimmy Stevens and the others were in Vanafo ... he been arrested."

Mr. Lini said that it would be between two and four months to return to normal in the area.

"All the buildings in Luganville have been ransacked, property has been stolen and stores looted," he said.

Mr. Stevens and several hundred followers — mainly French-speaking plantain owners — control of Espiritu Santo. The rebels feared they would lose their land when Mr. Lini's new reforms proposed. The 72-island chain was under joint British-French control until 1978. Vanuatu gained its independence July 30.

Marlboro



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3 x 100,000 DM	3 x 100,000 DM	3 x 100,000 DM
6 x 50,000 DM	6 x 50,000 DM	6 x 50,000 DM
12 x 25,000 DM	12 x 25,000 DM	12 x 25,000 DM
24 x 12,500 DM	24 x 12,500 DM	24 x 12,500 DM
48 x 6,250 DM	48 x 6,250 DM	48 x 6,250 DM
96 x 3,125 DM	96 x 3,125 DM	96 x 3,125 DM
192 x 1,562 DM	192 x 1,562 DM	192 x 1,562 DM
384 x 781 DM	384 x 781 DM	384 x 781 DM
768 x 390 DM	768 x 390 DM	768 x 390 DM
1,536 x 195 DM	1,536 x 195 DM	1,536 x 195 DM
3,072 x 97 DM	3,072 x 97 DM	3,072 x 97 DM
6,144 x 48 DM	6,144 x 48 DM	6,144 x 48 DM
12,288 x 24 DM	12,288 x 24 DM	12,288 x 24 DM
24,576 x 12 DM	24,576 x 12 DM	24,576 x 12 DM
49,152 x 6 DM	49,152 x 6 DM	49,152 x 6 DM
98,304 x 3 DM	98,304 x 3 DM	98,304 x 3 DM
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113,468 winning numbers

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1. Class	2. Class	3. Class	4. Class	5. Class	6. Class
Oct./Nov.-Drawings	Oct./Nov.-Drawings	Nov./Dec.-Drawings	Dec./Jan.-Drawings	Jan./Feb.-Drawings	Feb./Mar.-Drawings
1 MILLION DM or 10 x 100,000 DM	1 MILLION DM or 10 x 100,000 DM	1 MILLION DM or 10 x 100,000 DM	1 MILLION DM or 10 x 100,000 DM	1 MILLION DM or 10 x 100,000 DM	1 MILLION DM or 10 x 100,000 DM
3 x 100,000 DM	3 x 100,000 DM	3 x 100,000 DM	3 x 100,000 DM	3 x 100,000 DM	3 x 100,000 DM
6 x 50,000 DM	6 x 50,000 DM	6 x 50,000 DM	6 x 50,000 DM	6 x 50,000 DM	6 x 50,000 DM
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48 x 6,250 DM	48 x 6,250 DM	48 x 6,250 DM	48 x 6,250 DM	48 x 6,250 DM	48 x 6,250 DM
96 x 3,125 DM	96 x 3,125 DM	96 x 3,125 DM	96 x 3,125 DM	96 x 3,125 DM	96 x 3,125 DM
192 x 1,562 DM	192 x 1,562 DM	192 x 1,562 DM	192 x 1,562 DM	192 x 1,562 DM	192 x 1,562 DM
384 x 781 DM	384 x 781 DM	384 x 781 DM	384 x 781 DM	384 x 781 DM	384 x 781 DM
768 x 390 DM	768 x 390 DM	768 x 390 DM	768 x 390 DM	768 x 390 DM	768 x 390 DM
1,536 x 195 DM	1,536 x 195 DM	1,536 x 195 DM	1,536 x 195 DM	1,536 x 195 DM	1,536 x 195 DM
3,072 x 97 DM	3,072 x 97 DM	3,072 x 97 DM	3,072 x 97 DM	3,072 x 97 DM	3,072 x 97 DM
6,144 x 48 DM	6,144 x 48 DM	6,144 x 48 DM	6,144 x 48 DM	6,144 x 48 DM	6,144 x 48 DM
12,288 x 24 DM	12,288 x 24 DM	12,288 x 24 DM	12,288 x 24 DM	12,288 x 24 DM	12,288 x 24 DM
24,576 x 12 DM	24,576 x 12 DM	24,576 x 12 DM	24,576 x 12 DM	24,576 x 12 DM	24,576 x 12 DM
49,152 x 6 DM	49,152 x 6 DM	49,152 x 6 DM	49,152 x 6 DM	49,152 x 6 DM	49,152 x 6 DM
98,304 x 3 DM	98,304 x 3 DM	98,304 x 3 DM	98,304 x 3 DM	98,304 x 3 DM	98,304 x 3 DM
196,608 x 1 DM	196,608 x 1 DM	196,608 x 1 DM	196,608 x 1 DM	196,608 x 1 DM	196,608 x 1 DM

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Enter of Ocean's Energy

Scientists Study Eddies or Clues to Gulf Stream

By Marshall Schuen

GOODS HOLE, Mass. (NYT) — In 1769, Benjamin Franklin, a map of the Gulf Stream, information supplied by his in, Timothy Folger, a Nanant whaling captain. The map surprisingly accurate, even by today's standards.

What Franklin and the sea of his time did not know and scientists are beginning to realize only now is that the Stream is a complex system, constantly giving birth to vast, independent of the mother in and may alter weather, marine life and dictate how the Atlantic Ocean with pollution.

Satellites, computers and instrumented instrument buoys, rehers at the Oceanographic Institution here are discovering that more they learn about the a, fast current and its eddies, the more complex the picture that emerges of the stream, de Leon and carries 25 s more water than all the riv of the world combined.

Stommel, an oceanographer at the institution's Clark Laboratory, said the Gulf Stream's flux — the way that it transenergy — is the most difficult g for scientists to grasp.

ne of Mr. Stommel's colleagues, Philip Richardson, is a aalist in the meanders and s that are a key to that probem. Mr. Richardson found Frankmap in the Bibliothque Nale in Paris in 1978 after it had a thought lost for over 200 s. He said scientists have only ized in recent years that most he ocean's energy is contained the eddies, or rings, and that e rings were probably doing main job of transporting both etic and thermal energy in the an.

Ocean Circulation

To understand the dynamics of an circulation, he said, it was assary to try to understand the e of eddies, their formation, disuption, long-term movement f decay. In addition, he said, e rings affect weather and clie, and can be factors in distriution of pollutants, they have le importance for marine biolois and researchers in other ds.

Rings also affect naval strategy, ce temperature differences afct the way that sound travels, dies can distort the sound by ich submarines are detected. Ring form when a meander ches off, swirling around a core wch of cold water and extendg down to the sea floor. Rotating

slowly, the rings move southwestward at a speed of one and a half to four miles a day, finally returning to the stream to be reabsorbed. The process that causes them to move in an opposite direction from that of the stream and the general clockwise circulation of the north Atlantic is another of the things that oceanographers are trying to understand.

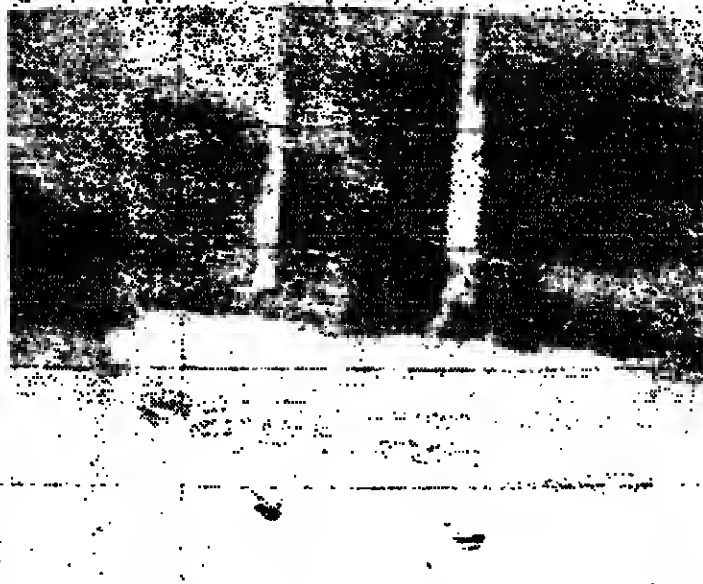
Warm- and cold-core rings spin off the stream in roughly equal numbers, Mr. Richardson said, but cold-core eddies can survive for as long as three years, while those with warm centers will last less than a year, because of the smaller area in which they are confined. Rings maintain their motion by drawing on the energy "stored" in the temperature difference between the core and the surrounding water, apparently losing momentum through friction and eventual loss of the temperature differential.

The most extensive study of an eddy — a ring of water — was discovered in 1973 by de Leon and carries 25 s more water than all the riv of the world combined.

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In studying Ring Bob, the research vessel Knorr sailed into it, and those on board found they could actually see, feel and smell the cold-core water, according to Mr. Richardson. The water was green and turbid, unlike the clear blue of the nearby Gulf Stream, he said, and there was a seaweed smell like that of a seashore on a summer day. The temperature of the surface in the middle of the ring was 59 degrees Fahrenheit, nearly 9 degrees colder than the surrounding water.



The National Geographic Society released this sonar photograph, which shows the British ship Breadalbane, with two of its three masts intact, on ocean bottom in Arctic. It sank in 1853.

Sonar 'Torpedo' Discovers 1853 Wreck of British Ship

By John Noble Wilford

NEW YORK, Aug. 31 (NYT) — A sonar image of a sunken British sailing ship discovered this month in the freezing waters of the Canadian Arctic was released last week by the National Geographic Society. The image revealed not only the 127-year-old wreck standing upright in 300 feet of water but was also a striking illustration of the advanced state of sonar technology for underwater surveying.

The Breadalbane, a 120-foot, three-masted ship, sank Aug. 21, 1853, while searching for the explorer Sir John Franklin and his crew, who disappeared and perished on a quest for the elusive navigable Northwest Passage across North America.

Joseph MacInnis, head of Undersea Research Ltd., who spent three years trying to find the wreck, said that because of the low temperatures of the water, "there is a very good chance that all the organic material from the sails to the rigging to the food on board will be in a very excellent state of preservation."

'Sidescan' Device

The discovery was made by "sidescan" sonar equipment developed by Klein Associates Inc. of Salem, N.H. The torpedo-shaped device was submerged and towed by the search vessel. It sends out beams of electronic sound that, when reflected off distant objects and returned to the towed device, create an image of the underwater terrain and anything on it.

In the case of the Breadalbane, the image showed clear details of the ship's two intact masts, furled sails and hull. "We've come a long way," remarked Martin Klein, the sonar company's president, commenting on the resolution of current sonar imagery.

Swiss Make Arrests In Housing Protest

ZURICH, Aug. 31 (Reuters) — Police yesterday made dozens of arrests as an unauthorized demonstration against the shortage of accommodation in Switzerland's largest city by about 1,000 people degenerated into street fighting.

Swiss television said the clashes continued into the evening, with police using water hoses to disperse the demonstrators. Disturbances that caused several million dollars worth of damage occurred in Zurich earlier this summer over young people's discontent with the cantonal government's policy on culture and entertainment.

For Argentine Jews, Survival Comes First

By Kenneth Freed

BUENOS AIRES (LAT) — The Jews of Argentina are a community beset by fragmentation, uncertainty, a shrinking population and, to some extent, fear. Yet the community survives, and seeing to its survival is the first duty of many Jews.

The fear has been fueled in the last six weeks by a series of bombings of synagogues and schools and by daily threats of violence against Jews.

Jewish response to the violence has been uncertain. Expressions of cautious concern are made on one hand, but there is hesitation to make a large issue of the incidents, and a refusal to point a finger at any element as responsible for the new outbreak of anti-Semitism.

"We are not going to publicize our concerns unless it is absolutely necessary," said Mario Gorenstein, president of the Daia, a confederation of Jewish organizations.

As to who is responsible, Mr. Gorenstein said: "We are very cautious about that question. We have many doubts."

Part of those doubts stem from a desire to play down any suggestion that Argentina is a stronghold of anti-Semitism or that the country's 300,000 Jews live in any real danger.

"Jewish life here is normal," said Bernardo Fain, Daia's executive director. "Our institutions live normally, our religious life is normal, the Zionist movement is normal."

Both men are emphatic in proclaiming that the military regime that has governed Argentina since taking power in a coup four years ago is not anti-Semitic.

Yet anti-Semitism is evident. Anti-Jewish books are found everywhere, and a popular seller at the city's newsstands is a magazine called Cabildo, which warns every month against Jewish influence and corruption.

Another favorite is a Spanish reprint of the Protocols of the Elders of Zion, an old and fictitious account of an alleged Jewish plot to take over the world.

Government Response

A gentle woman married to a Jew in Buenos Aires said in an interview that "when people don't know that I am married to a Jew, they speak some of the most vicious anti-Semitism imaginable. And this is from some very sophisticated people."

The government goes out of its way to say that Jews are fully accepted, and the regime did act firmly, if belatedly, two years ago to end an earlier wave of anti-Semitic violence.

However, Jews are excluded from important posts in the military, and few if any are appointed to ranking government jobs.

But in some areas Jews prosper.

They have been left alone in business and education, so the Jewish community is well-off, by and large, and highly educated, with a large number of doctors, lawyers, engineers and college professors.

According to Rabbi Roberto Gratz, who is head of Buenos Aires' only reform congregation, Temple Emanuel, "The government does not mind Jews being in business and making money, but it just doesn't want any making policy."

Another rabbi, Mario Ahlin, head of Congregation Israelita, one of Argentina's most important synagogues, said: "We are not really integrated into society. We cannot influence public life."

He added that "any suggestion that Argentina has a Nazi style is exaggerated. But there are problems."

Roman Catholicism is the official religion of Argentina and is the church of preference for more than 90 percent of the 26 million inhabitants.

The issue of Jewish involvement in Argentine politics is a point of serious division in the Jewish community. Some important leaders are at odds with the philosophy that keeping quiet is the best policy.

Bloody Repression

The focus of this division has been how to respond to the government's bloody repression of its opponents, particularly when it involves Jews.

Mr. Gorenstein and Mr. Ahlin represent one view. "We have to keep a perspective on how to approach this problem," Mr. Ahlin said. "We have to approach the issue by doing what is possible without causing more trouble" for the Jewish community.

Mr. Gorenstein said that "We avoid taking expressly open positions against the government to avoid endangering the community."

On the other side are Rabbi Gratz and Rabbi Marshall Meyer, an American who heads Bet-el, a large and wealthy congregation.

Mr. Meyer, who runs the only rabbinical seminary in South America, has been an emotional and extremely outspoken critic of Argentina's human rights policies. He signs public petitions calling on the government to give an accounting of the estimated 5,000 to 15,000 persons who have disappeared since the 1976 coup — disappearances for which human rights groups blame the military government — and encourages relatives to keep putting pressure on the regime about the issue.

"When Marshall does this it makes many in the (Jewish) community cringe," said Mr. Gratz. "They ask, 'Why does he get involved?'"

Mr. Meyer answers: "In the face

of all of this misery how can I, as a Jew, keep quiet? How can I, as a human being, keep quiet?"

The disagreement on human rights is not the only issue troubling Argentine Jews.

A major concern is the character and future of the community. It is shrinking. At the end of World War II, there were an estimated 500,000 Jews in Argentina. The latest figure is about 300,000, but Mr. Gratz says only half of those can be clearly identified as Jews.

"The rest are assimilated and have no real connection with Judaism," he said.

Mr. Gratz says the Jewish population will continue to fall in numbers until "it stabilizes at about 100,000. It will become strong then because they will be Jews who want to be Jews."

Unesco Chief Said to Delay Material for Media Debate

By Robert Kaylor

PARIS, Aug. 31 (UPI) — The director-general of Unesco has failed to provide participating governments with the documents they need to prepare positions for next month's conference on international news reporting and censorship, diplomatic sources say.

The sources said last week that documents on two key subjects had not emerged from the office of the director-general, Amadou Mahtar M'Bow, despite the usual practice of issuing them 90 days before the annual fall conference of Unesco member nations. There is also a policy requirement that they be in the hands of delegations at least one month ahead of time, the sources said. The conference starts Sept. 23 in Belgrade.

"Some of the delegates are madder than hell," a source at Unesco headquarters in Paris said. Governments need the documents to prepare for debate on the politically charged issues of international reporting and communications.

The documents include Mr. M'Bow's decisions about which of the findings of the MacBride commission on world information and communication problems he wants the conference to consider, as well as his recommendations for action on them.

Commission Recommendations

The commission, headed by former Irish Foreign Minister Sean MacBride, made a number of recommendations on international reporting and news organizations. Many were welcomed by Western delegates, including ones condemning censorship and calling for freedom of movement for report-

E. German Fans Try to Listen to Western Rock

BERLIN, Aug. 31 (Reuters) — East German rock fans gathered behind police barriers in East Berlin last night to listen to an open-air concert taking place on the other side of the Berlin Wall.

Security forces blocked off all roads around the wall in the center of the city and detained around 40 persons who refused to move behind the barriers.

More than 400 youngsters assembled, but most went away after they found they were too far from the border to hear the music. The concert, starring the British band Barclay James Harvest, was the largest open-air pop festival ever staged in West Berlin and attracted over 100,000 persons.

Unesco Chief Said to Delay Material for Media Debate

By Robert Kaylor

PARIS, Aug. 31 (UPI) — The director-general of Unesco has failed to provide participating governments with the documents they need to prepare positions for next month's conference on international news reporting and censorship, diplomatic sources say.

The sources said last week that documents on two key subjects had not emerged from the office of the director-general, Amadou Mahtar M'Bow, despite the usual practice of issuing them 90 days before the annual fall conference of Unesco member nations. There is also a policy requirement that they be in the hands of delegations at least one month ahead of time, the sources said. The conference starts Sept. 23 in Belgrade.

"Some of the delegates are madder than hell," a source at Unesco headquarters in Paris said. Governments need the documents to prepare for debate on the politically charged issues of international reporting and communications.

The documents include Mr. M'Bow's decisions about which of the findings of the MacBride commission on world information and communication problems he wants the conference to consider, as well as his recommendations for action on them.


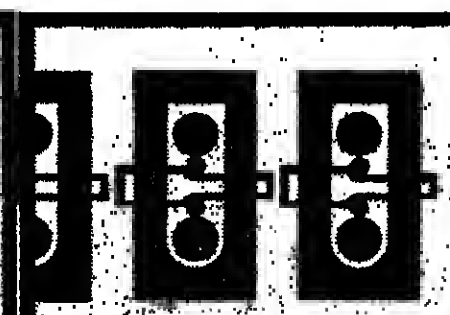
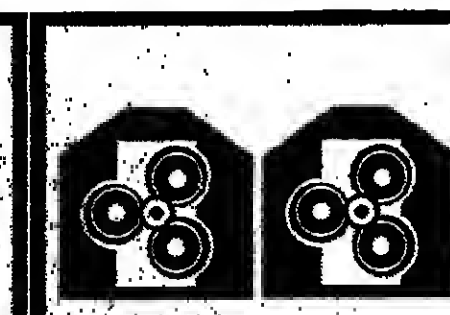

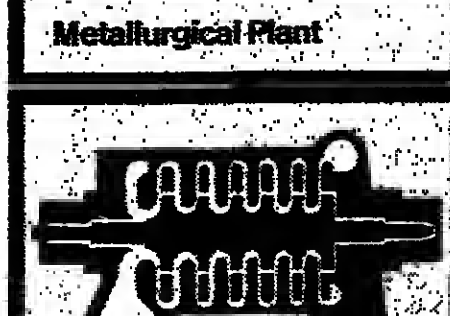


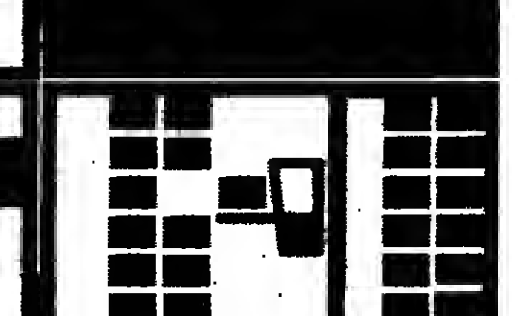




A spokesman for Mr. M'Bow acknowledged a delay in completing the documents but gave no specific reason. He said Mr. M'Bow hopes to issue them this week, but other sources said they might not reach the delegates until less than two weeks before the conference starts.

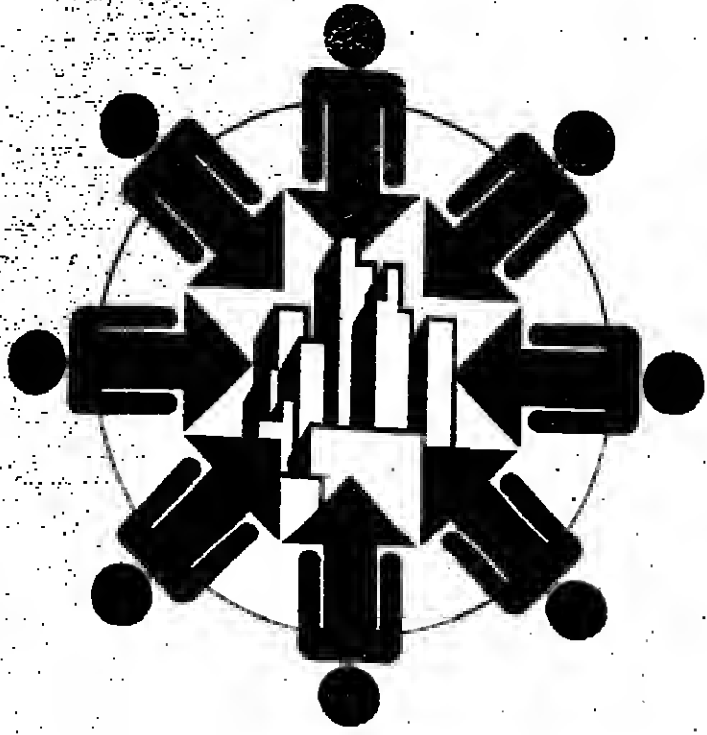
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Urban Future

Special Supplement

Half the World Will Live in Cities by 2000 Global Population Balance Expected to Tilt to Urban Areas

owing is an excerpt from *The City Limits: Emerging Constraints on a Growth by Kathleen Newland*, published earlier this month by *Watch Institute of Washington, D.C.*, which has received financial aid from the UN Fund for Population Activities.

Humankind is changing with breathtaking speed into an urban species. The population of the world's cities has doubled in the past 40 years, so that four out of every 10 people alive are urbanites. UN demographers characterize the movement to the cities as the greatest mass migration in human history. If their projections realize, more than half of the world's people will be living in cities in 20 years' time.

From a biological viewpoint, urban living appears profoundly unnatural. A demographer, Kingsley Davis, has written that, "The city differs from a beehive or a termite mound: it is not a habitat harmoniously adapted to the organic drives and reflexes of the species, but rather an environment precariously rigged so as to avoid disastrous consequences that would otherwise occur." Humans evolved as a social species, but in small, dispersed groups ranging over wide territories. The population density found in cities presents dangers to human health, in the form of epidemics, waterborne diseases, and the concentration of wastes. Overcoming these dangers has required both ingenuity and substantial investment.

If the city is an alien environment for the human organism, it is by the natural habitat for human culture. A disproportionately large part of humanity's great achievements in science, letters, music, painting, law, architecture and other manifestations of high culture have been accomplished in an urban setting. And despite the biological odds against it, people have found ways to thrive in cities. The historical perspective is not as comforting as might be thought, however. Some great cities have collapsed under their own weight, and the precise mechanism of their undoing remains mysterious. Furthermore, the successful cities of the past are poor guides to the cities of the future. Both the scale and the context of urbanization have changed dramatically in this century that they impose a basic discontinuity in the slow buildup of the past.

Humankind is changing with breathtaking speed into an urban species. UN demographers characterize the movement to the cities as "the greatest mass migration in human history" ... From a biological viewpoint, urban living appears profoundly unnatural.

Three conditions distinguish the growth of cities today from past experience. One is the hugely expanded population base that forms the backdrop to current urbanization trends, particularly in the Third World. A second, related condition is the unfolding of an era of severe resource constraints: the skyrocketing price of oil is the most dramatic evidence. The third element of discontinuity with the past is the prevalence of capital-intensive technology in both industry and agriculture, which severed the link between increased production and expanded employment. All three conditions have a profound impact on the size and timing of modern cities, and raise questions about their long-term viability.

A trend of the past 30 years has been toward larger and larger metropolitan agglomerations, with an increasing concentration of people in the largest centers. In 1950 the combined population of all the "giant" cities — those with 5 million or more residents — was 47 million. In 1975 the giant cities are home to 252 million people, a figure that the UN projects will reach 650 million by the year 2000. Compared to the urban future centers on the prospects for these huge cities, all the attendant problems of urban life are magnified. Among

(Continued on page 125)

New, Giant Cities Are Forming Worldwide — Especially in Third World Nations — at a Rate That Has Alarmed Government Experts and Social Planners; 60 Cities Expected to Contain 650 Million



LONDON (IHT) — In the year 1900 London was the world's only city with as many as 5 million people. By the year 2000 there will be 60 such cities, with about 650 million people. And the problems posed by that awesome figure reach far beyond coping with smog and the sheer crush of humanity.

Back at the turn of the century the world had an estimated population of 1.6 billion and one person in every hundred lived in a city. Yet by the year 2000, if UN projections prove correct, the planet's population will have increased to 6 billion — more than half living in cities. For the first time the bulk of human population will be living in urban environments.

And many of those urban agglomerations will be massive sprawls with unfamiliar names; such places as Kananga and Mjubi Mayi in Zaire, Oromosho and Llorin in Nigeria, Bucaramanga in Colombia are expected to have more than 1 million people by 2000. And in China, again according to current projections, there will be no fewer than 16 new million-plus cities.

But even more startling will be the growth of cities with more than 5 million inhabitants. There were six such urban agglomerations at mid-century: New York, London, Rhein-Ruhr, Paris, Tokyo and Shanghai. Today there are 26, and of the 60 projected for the year 2000, 47 will be in the developing world.

It is this last group that is growing fastest. The projected growth rates of these Third World cities is phenomenal. Bombay is expected to grow from 3 million in 1950 to 19 million in 2000, while Mexico City in the same period is predicted to halve from 3 million to well above 30 million, making it the world's largest city. Indeed, of what are projected to be the world's 15 largest cities by the century's end only Tokyo, New York and Los Angeles will be outside the Third World.

The cause of the explosion lies partly in continued migration — of the type that changed the predominantly rural United States of the turn of the century into today's predominantly urban nation; but the cause also lies increasingly in the continuing extraordinary rise in the world's population, particularly in the developing countries.

It is now becoming better understood by government officials and social planners that natural population increase in the cities is sometimes a more important factor in swelling urban populations than migrations from the countryside.

Rural Poor Poorer

By dint of the sheer size of the world population, a mere 1 percent shift of the world population from the countryside to the city represents 44 million people — three new Shanghaies or five new Calcuttas. It is, in part, a reflection of the relative neglect of the rural areas in favor of the cities. Almost everywhere in the Third World the rural poor are becoming poorer while the majority of the urban poor have at least kept pace with the cost of living.

Although between one-fourth and one-half of urban dwellers live in slums and shanty towns, they have relatively better access to health, education and other services. Not untypically, Lagos, the capital of Nigeria, with 3 percent of the country's population, has 20 percent of the country's doctors and nearly half its dentists.

And strategies for stemming the flow of cityward migration have had, increasingly, to account for the interests and needs of migrants. Schemes have ranged from improvements in rural services to colonization plans to redirecting migration flows.

Another apparent strategy is to acknowledge the inherent logic in the migration, and to attempt to accommodate by improving life for migrants in large cities. But that makes city life more attractive, and in turn questions arise about the ability of the great cities to cope:

- It presents developing countries with the challenge of sustaining a system that neglects the local food base upon which cities depend.
- It diverts hard-pressed resources to meet the concentrated and ever more expensive energy needs of vast urban centers.
- It demands that jobs be provided for the new population.

Questions arise also about how the megacities are to be governed and how the unique problems they pose can be tackled. The problems in administering New York or Tokyo are already baffling, for example, but they are especially daunting in the overcrowded, debt-ridden, food- and energy-stressed countries of Asia, Africa and Latin America.

Many such questions will be up for discussion at the International Conference on Population and the Urban Future that will be held in Rome from Sept. 1 to 4. The conference is sponsored by the UN Fund for Population Activities and mayors and city planners from the 60 cities have been invited to attend.

Guayaquil, Ecuador: The 30-Year Migration

By Patrick Crooke

GUAYAQUIL, Ecuador (IHT) — For many years the only space available for cheap settlement near Guayaquil was an immense area of coastal swamp on the city's west outskirts that is flooded at high tide and at low tide becomes an expanse of mud drained by creeks and gullies. But that's where many people have come and settled in the last 30 years — more than 100,000 of them, creating what is known as the "suburbio" of Guayaquil.

When crop exports brought prosperity to the region in the 1950s, rural landowners led much of their new profits in Guayaquil's commerce and industry, generating jobs and a small middle class that attracted landless country people — many of them ending up in the city's outskirts.

As then the market for the region's plantation produce has had slumps as well as booms. Chronic rural unemployment, however, has ensured continuing migration to Guayaquil. Attracted by city investments and ejected by rural poverty, huge numbers of people came to Guayaquil, doubling its population during the 1950s. By 1960 it had a million residents; by the mid-1970s, more than 1 million.

As settlers came straight to the suburbio from the rural provinces. In the 1950s and 1960s especially, the suburbio's settlers were mainly people who had already lived, at least briefly, in Guayaquil's inner-city slums. There they found jobs and established contacts with organizations that enabled them to move out to the suburbio, developing in the process rent-free houses of their own — and, in the process, releasing inner-city slum dwellers for later newcomers to rent.

Dramatic Changes

Along with the growth of the suburbio came dramatic changes in Guayaquil's political life. The huge increase in the city's population sharpened competition between political leaders seeking support from the city's fastest growing constituency: the poor. Factions encouraged and organized groups of poor householders to establish settlements of their own in the suburbio (as an escape from intolerable conditions elsewhere in the city). These factions defended their supporters in conflicts with rival settler groups, and their spokesmen in appeals for land reclamation and services, and negotiated deals with politicians in charge of the city's spending on these benefits.

Political sponsorship of settler groups in the suburbio has had at least one important result: The suburbio has largely been developed in a regular, gridiron pattern of streets and city blocks that extend into the swampland, a planning system traditional to Latin American and other Spanish-derived cities in Latin America. The suburbio developed into a regular and uniform in size, and that front on to a street that can carry future

urban services, can eventually be registered as legal free-hold properties. These requirements are well known to settlers when they share out suburbio swampland among themselves, and provide strong encouragement for them to, in effect, do their own urban planning.

But for new settlers on the suburbio's outskirts, paddling in canoes over the swamp at high tide or floundering through the mud at low water, such prospects lie in the fairly distant future. When they have fenced in their house plots and the necessary streets, they can build only lightweight shacks on stilts in the swamp. Heavier houses, even if they could afford to build them, would sink deep into the mud.

Only 1 Room

The settlers buy timber poles and slatted bamboo for walls and floors from traders from the surrounding countryside. Corrugated iron sheeting for roofs is on sale in virtually every suburbio market. Most of the first-stage houses built with these materials have only one room — sometimes subdivided to separate sleeping areas, or the owner family from a lodger family, or the family's living quarters from their small shop or workshop.

With lodgers, a shop or a workshop sharing the house, a settler family can often earn money from their home from the start. This helps to finance not only the house but travel to jobs elsewhere in the city.

This first stage of settlement, though transitional, is a perilous one. The swamp becomes grossly polluted: human waste and domestic rubbish drop from the houses into the waters below and wash about in the tide until they rot. Clean water must be bought from contractors' tanker trucks, and often carried long distances over rickety timber catwalks. Children play in the festering waters and suffer often-fatal diseases.

It is usually years before these conditions improve as the land under and between the houses is gradually filled in. The city council eventually fills in the road areas, and provides occasional help with the landfill of house plots.

During the 1960s, U.S. foreign-aid consultants prepared an ambitious scheme for reclaiming the whole suburbio area by means of massive dikes and drainage — a system not unlike the Dutch reclamation of land from the Zuider Zee. The scheme, though technically feasible, would have required a huge injection of imported capital and technology that Ecuadorian authorities were not prepared to handle, and the plan came to nothing.

Meanwhile, the city council proceeded with its own sporadic and unplanned version of land reclamation, technically less satisfactory, but reflecting some important facts of life in Guayaquil. The council's piecemeal landfilling has employed many small contractors from the area, rather than large foreign firms, and has provided many badly needed jobs for local labor. Also — and importantly from the city council's point of view — by filling in the suburbio street by street, as it were, successive councils have been able to reward particular groups among the suburbio population with land and services: an important means to gain their political support.

Major Population-Aid Organizations

Among the major worldwide organizations providing funds and services in the population field are:

Office of Population, U.S. Agency for International Development (AID): a U.S. government agency that helps fund programs designed to reduce family size for more than half the world's population.

About 75 percent of this year's \$195 million budget goes to direct funding for family-planning services, contraceptives, education and information, training and institutions. The remainder goes to research, policy and data collection. The bulk of AID's population assistance goes to national family planning programs, multilateral assistance agencies and private international agencies.

Recent emphasis has been on such high fertility-rate areas as sub-Saharan Africa and the Middle East, and programs to improve women's position in the labor force and the health of women and children — all of which contribute to reducing fertility rates.

The UN Fund for Population Activities (UNFPA): established in 1969, it has the largest multilateral assistance program for the formulation of population policies in developing countries.

With a goal of promoting understanding of population-related factors and helping governments de-

velop programs, it had funded 1,379 projects in 131 countries as of December, 1979. Its budget that year was about \$149 million. Most of the money was spent in Asia and the Pacific, followed by Latin America, Africa and Europe, the Mediterranean and the Middle East.

The World Fertility Survey, one of its programs, is described as the largest social-science project in the world. It charts fertility rates, determines whether families want children and what kinds of contraceptives they use. The UNFPA is the first UN agency to stage a program in China — a census that is due to be taken next year.

International Planned Parenthood Federation (IPPF): a private, nonprofit organization of 95 voluntary associations whose goal is to provide family planning services to all who request them. With a 1979 budget of \$70 million funded by government and private contributions, IPPF associations offer contraceptive services, recruit and train staff and help educate people about family-planning practices.

The Population Council: an independent, nonprofit organization, it was founded in 1952 by John Rockefeller 3d to help raise the issue of population growth to global attention and support family planning as a central government policy to reduce fertility rates.

About \$8 million of the Population Council's \$15 million budget in 1979 went to fund family planning services and contraceptive research. The rest went to fund social science research and policy programs in such subjects as migration and urbanization, women in development and interaction between population and development policies.

The Ford Foundation: a U.S. private philanthropic institution that began to work in the population field in 1952 with a major aim of helping institutions in the developing countries analyze population issues, inform the public and influence policy-making.

In the mid-1960s, the foundation reduced its funding of population programs — then about \$20 million a year — because of budgetary restrictions and increased funding by other organizations. Today, the Foundation allocates about \$7 million a year for studies in population policy issues, research and training in the reproductive sciences and contraceptive development, as well as experimental efforts to improve the effectiveness of family planning services.

Other private philanthropic organizations in the United States involved in population programs include the Rockefeller Foundation, the Pathfinder Fund and the A. W. Mellon Foundation.—L.B.

Family Planning Policies Stumble

By Linda Bernier

PARIS (IHT) — The most obvious solution to the population growth that is taking place largely in the Third World is family planning. But the very problems spawned by a booming population and inherent to many Third World nations — illiteracy, poor transportation and inadequate communications — also hinder effective promotion and use of family planning services.

There is also an increasingly felt need to tie these services in with health, nutrition and even economic policies, according to Oscar Harkavy, director of the Ford Foundation Department of Population Control.

"The rate of world fertility is indeed down — from 2 percent in the mid-1960s to 1.8 percent in the early 1980s," said Mr. Harkavy. "But the [world population] numbers are still up — today by about 70 million people a year," the approximate equivalent of the population of Mexico. "The newest manifestation of the population problem is the problem of migration, as seen by the current refugee situation," he said. "Although there has been migration before, it is more apparent today because of the greater numbers and inflow, particularly into the industrialized world where population is down," he said.

As Rafael Salas, director of the UN Fund for Population Activities, pointed out in a recent report, political factors and low employment levels have caused great population shifts, both internationally and internally, mostly from rural to urban areas.

Ineffective Preaching

Planners appear increasingly to be accepting the idea that large families are more the result than the cause of poverty. Where there are no old-age pensions, medical services and unemployment pay, children become the main source of economic security, population experts have concluded.

"Preaching small families to people who need more children is not only insensitive, it is also ineffective," said one population expert, emphasizing the need to promote policies that indirectly lower fertility rates — providing better health care to lower infant mortality, increasing incomes and economic security, promoting education and women's rights.

Improving the status of women profoundly affects the success of development projects, said George Brown, director of international programs at the Population Council in New York City.

Several studies, he said, have shown that development projects — in health, training, education and economic status — have been of little benefit to women.

Evidence shows that fertility rates can be reduced both by increasing women's education and economic status and by lowering infant mortality, although the short-term effect of declining infant mortality is increased population growth.

Sri Lanka, for example, which had an infant mortality rate of 141 per 1,000 and a 2.8-percent rate of population growth right after World War II, experienced a 1.4-percent population growth rate in 1974 after reducing infant mortality to 50 per 1,000 in 1968.

The first successes in controlling population growth came in Taiwan, Hong Kong, South Korea and Singapore.

Then came Indonesia and several Latin American countries, particularly Colombia and to an increasing degree Mexico, said Mr. Harkavy. He added that officials in China, who boast of tremendous success in reducing population growth, admit that success in large rural areas has been limited.

He said people's understanding and freedom to choose are crucial to the success of a country's population policy. So is government commitment, Mr. Harkavy added, noting that one of the important reasons for Indonesia's success was a national policy and well-organized village structure that were committed to birth control.

India and Pakistan

While in 1960 only India and Pakistan had government policies aimed at reducing growth, by 1977 35 countries containing three fourths of the less-developed countries had anti-growth policies and 30 less-developed countries had family planning policies to help reduce growth, according to the Population Council.

But mistakes have been made and problems still exist, specialists say. In India's birth control drive, which resulted in 8.26 million male sterilizations from 1976-1977, there were widespread charges of government coercion, which many say had the effect not only of decreasing the number of sterilizations — to 800,000 by April, 1978 — but also of considerably decreasing the use of intrauterine devices (IUDs) and of conventional contraceptives.

Despite a new commitment to integrate family planning services and population policy with overall development policy, the bulk of the money spent by governments and private institutions today still goes to providing contraceptives and family planning services.

Government Commitment

But government commitment to limiting population growth is still not as strong as it should be, said Mr. Brown, noting that countries in the Middle East and sub-Saharan Africa have been the most reluctant to adopt fertility-reduction programs.

In Islamic states, this is due more to tradition and the role of women than religious opposition. In Africa, this is due not only to cultural considerations but an overriding concern with health care and extremely high mortality rates, as well as concern about the imposition of Western values, Mr. Brown said. Large families are a sign of status for women in many African cultures, he noted.



Children on their way to school in a sprawling industrial suburb of Mexico City.

A Kikuyu Migrant Describes the Long Road to Nairobi

NAIROBI (IHT) — Makuru speaks in Kikuyu. The story of how she came to Nairobi is a sad one.

"My husband's family did not see that I was an intelligent woman, a woman capable of something. They made bad reports about me, and my husband sided with them. So when I had been married for eight years, I went back to my maiden home."

"But my father sent me back with a goat, and they slaughtered the goat and they beat me. That was when I decided to go to the town. I came to Nairobi because Nairobi is a big place, and I thought that I might not be found."

Njeri Ndaiti lives in the "better" end of what local people call the Valley — Mathare Valley, Nairobi's most notorious slum. She is known as Makuru, which in her native Kikuyu means "the old one." But how old she is, no one knows. As to when she came here, she remembers that she had been in Nairobi six years when "the lights were put out" during World War II.

Marriage problems are one of the main reasons that there is such a high proportion of women living in the Valley. This is where women from the countryside come after being divorced, deserted or widowed. For others, it was the only alternative to a miserable marriage forced upon them by family and supported by the rigid taboos of rural life.

Makuru and women like her belong entirely to the city. In their

younger days, they worked the twilight hours in back rooms and tin shack "hotels."

"When I was with my husband, I was not blessed with children," Makuru said. "But after I left him, I had three." For those who come to town on their own, that way of life is almost a foregone conclusion. It is the same women who, in the bottom of the Valley near the dirty waters of the Nairobi River, brew *chang'aa*, the illegal spirits.

Distress, Sickness, Drink

Women like Makuru engage in other forms of trade, setting off at dawn for the center of town to purchase a headload of various goods, which they later sell in little piles along the sides of the muddy tracks that intersect the Valley.

Makuru has not spoken to her husband since she left Mwangi's. Her parents, obliged to return her dowry, also refused to speak to her. And to complete the picture of loss, her three children died, one by one. "I had a girl and two boys. They were strong children; everyone was surprised when they became sick. When the last one died, I did not even want to see her buried. I was so distressed. I was sick in the head. I just went drinking."

For a while, Makuru worked as an *ayah*, a nursemaid for European children. Later she set up a small business, selling vegetables. But her

main income now comes from renting out three rooms in her brick-block house, which brings in about \$32 a month.

Some years ago a plot of land was set aside in the Mathare Valley for "site-and-service" housing. The people who wanted to join this new community linked together in cooperatives, providing mutual assistance in building and in earning and saving money. Makuru is the secretary, and the key figure, in one of these cooperatives. The 36 members include many poorer people from Mathare, whom she has been instrumental in bringing into the cooperative.

Substantial Housing

Her house is now quite substantial. She is adding three rooms to rent out. She has become urbanized, though remnants of the past remain. Compared to many women of the Valley, she is regarded as a great success.

"My people, the people of Kakamega, those ones have a small *shamba* [plot of land for cultivation], but it is not sufficient to hold life there. The soil is somehow exhausted out," she said. If she were a man in Kakamega, she said, she would leave her wife and come to town to seek work. Then, if she got a good job, her wife could come to Nairobi to visit.

Social Planning Can Ease Migrants' Effect on Cities

By Aprodicio Laquian

MANILA (IHT) — Some demographers and planners expect the big cities of the future, especially those in developing countries, to be largely self-built, composed of slum and squatter communities and ebbed by low-income migrants.

This need not be the case. The processes involved in demographic transition are strongest in cities. Depending on how they are manipulated, they can make, or break, a growing city's fortunes.

Urban areas are the engines of change and the locus for economic activity. It is this quality that attracts migrants.

When divorced from their hinterland, as in the case of Singapore, the tremendous energies of cities can bring about economic miracles. Placed in their national context, they spark the creative energies that energize the nation.

Inundation

Still, the inundation of cities by low-income migrants and immigrants can slow their innovative and regenerative powers. This is why some countries have pursued comprehensive policies to influence and alter migration.

Such approaches succeed most notably when they take the interests of migrants into consideration. Governments have been pursuing such policies with increasing vigor, recognizing the inherent logic in human migration patterns while taking advantage of the human and organizational resources brought by the migrants.

There are several strategies that can be used to stem migration into cities and to soften the impact on those cities of the migrants that reach them.

"Stay on the Farm"

Governments can attempt to stop the flow of migrants at the source by encouraging people to "stay on the farm."

Housing programs, for example, can be used to influence people to stay in rural areas instead of moving to the city.

Resettlement and colonization schemes can be used to redirect the flow of migrants to rural frontier areas.

New cities can be built, with the government providing anything from cleared land with basic public services available to inexpensive houses that can be purchased with government-backed loans.

Governments can, at an extreme, keep migrants out of large metropolitan regions by internal passport systems, busing programs

Mexico City Is Foreseen As World's Largest City

By Maggie Jones

MEXICO CITY (IHT) — The Aztecs believed that the site of Teotihuacan — now Mexico City — was where the gods came together to create the sun and moon.

Times have changed. Now, in the middle smog, one cannot even see the sun from Mexico City's industrial sector. And in another 20 years, the Mexican capital is expected to be the world's largest city — with potentially some of the world's largest problems.

With a current population estimated at more than 14 million, the city is expected to grow to between 30 million and 40 million by the end of the century.

More than 50 percent of Mexico City's inhabitants live in outlying areas where there is often no running water, electricity or sanitation. Once past the modern city center, the old colonial square and the long, tree-lined elegance of the *Reforma*, the districts spread out, ever poorer and more ugly, finally spilling over dark, dry hills that appear little more than slag heaps.

The metropolitan area has far outgrown Mexico City proper and covers almost the entire valley of Mexico state. The city was founded in the center of a chain of lakes, and in 1950 the area not already developed was considered by experts and planners to be either too flood-prone or too dry, saline and inhospitable for human residence.

But the people kept coming, and developers began selling barren lots — many without roads, water or sewers — to migrants who could not afford the higher rents in the heart of the city.

Unemployment

Most of the inhabitants of these satellite towns are unemployed or underemployed; perhaps as few as one-fifth hold steady jobs. Travel is a nightmare, sometimes a journey of as much as two hours each way in crowded and expensive buses.

Mexico City's new subway system has quickly become overcrowded, filthy and unpopular. Attempts have been made to cope with some of the problems of the peripheral towns. In 1970, for example, the federal and state governments began a program to bring lighting, electricity, sanitation and health services to the satellite town of Nezahualcoyotl.

Attempts have been made to make payments on their properties until the developers followed through on their promises.

But as one area is provided with services, others spring up and sprawl out; their residents' demands for basic services have over-

Maggie Jones is a freelance journalist writing on development topics.

The 10 Largest Urban Areas Ranked by Population (in millions)

1960		1980		2000	
1. New York - NE New Jersey	15.4	New York - NE New Jersey	20.4	Mexico City	31.0
2. London	10.7	Tokyo - Yokohama	20.0	Sao Paulo	25.8
3. Tokyo - Yokohama	10.7	Mexico City	15.0	Tokyo - Yokohama	24.2
4. Rhein - Ruhr	8.7	Sao Paulo	13.5	New York - NE New Jersey	22.8
5. Shanghai	7.4	Shanghai	13.4	Shanghai	22.7
6. Paris	7.2	Los Angeles - Long Beach	11.7	Peking	19.9
7. Los Angeles - Long Beach	7.1	Peking	10.7	Rio de Janeiro	19.0
8. Buenos Aires	6.9	Rio de Janeiro	10.2	Greater Bombay	17.1
9. Chicago - NW Indiana	6.5	London	10.1	Calcutta	16.7
10. Moscow	6.3	Buenos Aires	10.1	Djakarta	16.6

Source: United Nations, Patterns of Urban and Rural Population Growth, 1950 - 2000, New York, 1979 (early draft).



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World Fertility In Rapid Decline

Birthrates in the West and Third World Slow, Massive Survey Says

By Youssef M. Ibrahim

LONDON (NYT) — A major worldwide survey of 400,000 women in 61 countries shows that the population explosion that has plagued much of the world is easing. Fertility and birthrates in Third World countries and in the developed nations have significantly diminished in the last decade, the survey concluded.

In fact, new styles of living and changing morality have diminished fertility levels throughout Europe so drastically that they are pushing birthrates below the level at which existing populations are replaced, and the falling rates have prompted several alarmed governments to try to reverse the trend.

In the United States, the fertility rate has dropped from its peak of 3.5 children per woman in the late 1950s to 1.8 during the last decade. Despite the drop, however, the large number of young people resulting from the previously high rate means that the U.S.'s current population of 222.5 million can be expected to double in 99 years.

Worldwide, the pattern was found to have been partly influenced by an increasing preference for smaller families in Asia and Latin America, a widening use of contraceptives everywhere and the global advent of modernization and urbanization.

Decline Well-Established

"The decline is well-established, affects an important part of the world's population and is rapid," Dr. Leon Tabach, director of the population division of the United Nations, told some 600 specialists on the subject from 93 countries who gathered here recently.

The experts met for a 5-day conference to assess the first returns of the World Fertility Survey, a multinational endeavor begun in 1972 and recognized as the largest social science research project ever launched. It was carried out under the supervision of the International Statistical Institute, with researchers in 41 developing and 20 developed countries.

Among other things, the massive survey has found that more couples are marrying later and using a variety of contraceptive methods to delay birth, and that increasing numbers of working women are restraining childbirth. The study also found that a new and better educated generation of nearly a billion young people — emerging in the next decade with a more reserved attitude toward marriage and conception — will give the new trend greater momentum. In addition, in a reversal of previously ambivalent policies, most governments in the Third World now support programs of family planning to slow population growth.

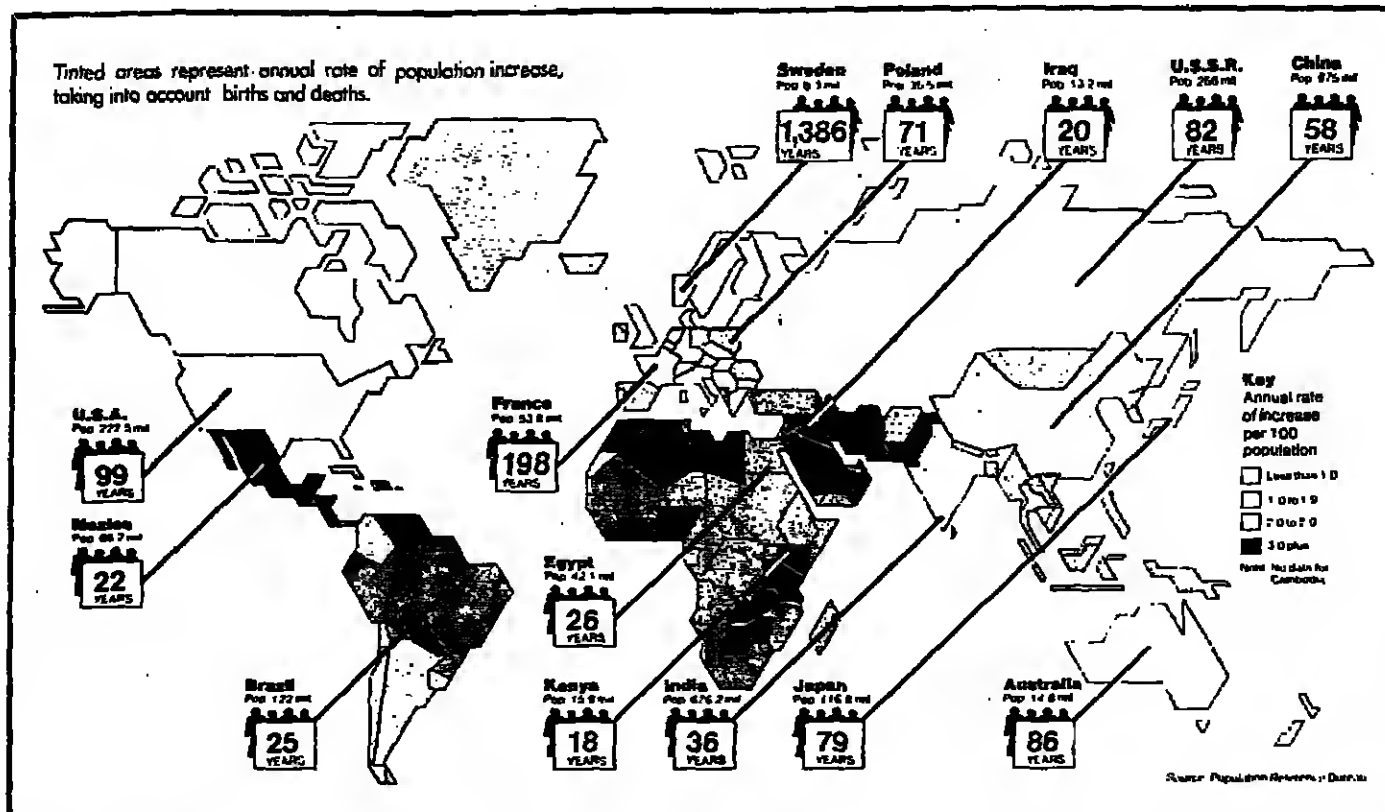
Trend in Europe

In Europe, however, the trend can have major economic and industrial implications, according to experts at the meeting. Among other things, the shrinking populations are likely to face serious labor shortages, while those who are in the work force, diminishing at increasing rates, will have to bear a larger tax burden to support the growing numbers of the retired.

"The whole system which traditionally worked in favor of fertility has collapsed," said Prof. Milos Masura of Yugoslavia, project director of the population division at the United Nations. "The industrial revolution, individualism, consumerism — in both Western and Eastern Europe, and regardless of the political system of government — are sweeping away traditional pressures that favored the family."

The change affects European countries in differing degrees. In Western Europe the worst situation is that in West Germany, where the average number of births is down to 1.4 per woman, with 2.2 the minimum needed to maintain a steady population.

Other Western European countries falling below the replacement level



include Austria, Belgium, Britain, Denmark, Finland, France, Italy, The Netherlands, Norway, Sweden and Switzerland.

In Eastern Europe, the depopulation phenomenon, although not as widespread, appears to be intensifying. While only East Germany falls below replacement level, with an average fertility rate of 1.8 per woman, Czechoslovakia, Hungary, Poland and Romania are at or close to the replacement level.

Scientists cautioned, however, that the emerging trend offers no near-term relief from the population explosion, since the legacy of past fertility rates will continue to push the numbers up for years to come. According to Dr. Naftali Sadit, assistant executive director of the UN Fund for Population Activities, looked at data from 10 countries in detail. In the Republic of Korea, which has an extensive family planning program, he said, contraceptives were widely used, and the place of residence made little difference.

In Pakistan and Jordan, by contrast, contraceptive use was four times greater in urban than in rural areas. Data on Jordan showed that the average uneducated woman had nine births, compared with only three for the minority with secondary-school education.

Africa and Asia

Researchers also found that in some cases a little bit of modernization can go the wrong way, sweeping aside social customs and taboos that naturally restrain childbirth, without replacing them with an offering use of contraceptives. In Africa and some parts of Asia, for instance, breast-feeding has always acted as a natural method of contraception. The practice has been replaced by bottle-feeding, however, and women become pregnant more frequently.

In Kenya, whose average of eight births per woman gives it one of the higher fertility rates in the world, it was found that women with no schooling have a lower fertility rate than women with primary-school education. The latter, in many cases, have done away with prolonged breast-feeding and do not accept polygamy — a social tradition that leads to lower individual fertility rates. At the present rate, the country's population of 16 million will double in 20 years.

UN Global Study Reports 2 Abortions for 5 Births

PARIS (IHT) — For every five births in the world there are now two abortions, according to the UN Fund for Population Activities.

The Fund's World Fertility Survey has found that in most developing countries half the married women aged 15 to 49 do not want any more children. "But of those," survey analyst Herman Rodriguez added, "only half are using any modern contraceptive method."

The Fund has issued a call for \$1 billion by 1984 for what it refers to as international population assistance — a phrase used to describe not just traditional family planning services, but a global approach that takes into account the reasons for which people want large families: low incomes and economic insecurity, high infant mortality, and lack of education and emancipation among women.

It especially emphasizes the

need to integrate family planning with generalized health services.

"Every year in Africa and Asia alone," a Fund report says, "half a million women die from 'maternal causes' — leaving behind more than 1 million motherless children. In Latin America, illegal abortion is now the No. 1 killer of women between the ages of 15 and 39. Worldwide, 25 million women a year suffer serious illness or complications during pregnancy and childbirth. Some 15 million of the 125 million babies born every year will not reach their first birthday."

The Fund report also raises the problem of women spacing their children too close together, which is hard on the mothers' health and drastically increases the risk of infant death. The same problems result when mothers younger than 20 or older than 35 have children.

Some Frenchmen Urge More Babies

By Linda Bernier

PARIS (IHT) — At a time when many Frenchwomen are marching in the streets demanding the right to abort unwanted pregnancies and to take an equal position with men in the marketplace, some Frenchmen are clamoring for women to take more seriously one of their traditional functions in society — producing babies.

As in many European countries since the mid-1960s, France has been experiencing a dramatic decline in birthrate — from roughly 850,000 births a year between 1964 and 1973 to 750,000 births in 1975 and 725,000 in 1976. The 1977 figure rose to 745,000, but dropped again by 10,000 the following year.

Such figures arouse strong emotion and give rise to dire predictions among the French.

"For want of children France will crack," said France's most outspoken "natalist," Michel Debre, a deputy in the European Parliament and neo-Gaullist candidate in the 1981 presidential election. "The future of the country, the health of the people, the prosperity of the home, the liberty of men and women — everything is in question. The Republic will die if it doesn't impose a natal policy."

For Mr. Debre and other natalists — those advocating policies to increase the birthrate — the social, economic, political and intellectual consequences of France's declining population are grave indeed.

1.8 Children

According to the National Institute of Demographic Studies, the average French couple has 1.8 children — one fewer than 15 years ago.

France is the only country in the world where the number of births is less — by 30 percent — than it was two centuries ago. And if the decline continues at its present rate, many demographers predict a decline in France's present population of about 50 million to between 35 and 40 million in 50 years and 20 million in 100 years — if not sooner.

"France will become one of the oldest countries in the world. That is in itself, where the proportion of elderly persons is the highest," said Mr. Debre, who was premier under De Gaulle. "The number of consumers will diminish. Fewer mouths to feed. Fewer bodies to clothe. Fewer schools and homes to build. What industry won't be affected in a country where the internal market holds such an important place?"

He believes the unemployment problem will only be aggravated by a decline in population. As demand for goods and services decreases, less will be produced — hence, fewer jobs, he said.

And he fears that bringing in even more immigrants to take over abandoned trades will provoke serious social problems — the beginnings of which are already evident.

A 1978 poll showed that only slightly more than half the French population believed that immigrants — who, with their families, number about 1.5 million — played a "useful role." To fight unemployment among native French citizens, the government has taken measures to reduce the immigrant population, such as a 1977 offer to jobless immigrants of 10,000 francs (about \$2,500) and a one-way air ticket out of the country.

Social Consequences

Mr. Debre also points out several possible social consequences: With a less numerous working population there will be fewer people to support social-welfare charges and old-age pensions. Thus, people will have to work longer, postponing retirement.

Political and military stability will be threatened as countries in Asia, Africa and the Middle East increase their populations without having the resources to provide enough food and work, he predicted.

As for the intellectual consequences, "a country with so few young people is a country without the spirit of enterprise, the inventive spirit. It means losing creativity in all fields — cultural as well as industrial, artistic as well as scientific," Mr. Debre said.

For the natalists, this decline in birthrate is basically the result of an

(Continued on page 125)

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Rafael M. Salas, Executive Director, United Nations Fund for Population Activities

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California Activist Group Seeking to Halt Population Growth in U.S. by Year 2000

PARIS (IHT) — What began as a campus organization growing out of the explosion of environmental concerns in the late 1960s has today become a highly organized, well-funded lobby, determined to bring about a national population policy in the United States that some claim is racist and chauvinistic.

Headquartered in Palo Alto, Calif., ZPG, a nonprofit organization, had limited financial means but involved itself vigorously in issues ranging from nuclear energy to abortion rights.

Slowly, its membership changed. It moved its headquarters to Washington, D.C., in 1975 — six years after its formation — to be closer to the political action. Its goals became more specialized. Today it is an activist group with 9,000 members who are primarily college-educated, politically liberal Americans whose average age is 50.

ZPG operates on an annual budget of less than \$450,000, financed by dues, donations and grants from private foundations, government and corporations, which include major oil companies, contraceptive manufacturers and publishing firms.

ZPG's major goal is still, as its name indicates, to achieve a state

of zero population growth in the United States by the year 2000. But today its major activities are lobbying to get higher ceilings on immigration growth and to pass a bill, introduced last year in the House of Representatives, establishing a national policy of population stabilization and setting up a White House Office of Population Policy to guide federal planning toward that goal.

"ZPG is one of the few organizations in the U.S. that concentrates on domestic population policy, which we believe is as important as international population policy," said Roy Morgan, ZPG executive director.

"The U.S. contains 5-to-6 percent of the world's population and uses about 32-to-33 percent of the world's resources," he said. On that basis, he added, the natural increase of 2 million Americans each year puts the same strain on world resources that an increase of 12 million would in India.

Even though the fertility rate in the United States has declined since the baby-boom year of 1969, the population has increased by about 2 million a year to more than 220 million.

And because of the thousands of immigrants, many of them illegal, who enter the United States each

year, the population increases by several hundred thousand more than the figures indicate, according to ZPG figures.

The organization thus is pushing for measures to consider limits on the numbers of refugees and immigrants allowed in the country, to discourage illegal immigration by reducing the attraction of U.S. jobs to illegal workers, and to aid the development of less-developed countries while improving U.S. border surveillance.

"We are very sensitive to the allegations calling us genocidal, racist and anti-immigrant, saying we are trying to control the population of lower-income and ethnic groups. Most of us are approaching this from a liberal, humane point of view," said Mr. Morgan. He admitted, however, that some of ZPG's recent policies have been met with criticism from supporters.

Nevertheless, ZPG believes that its goals will benefit everyone. Zero population growth, the group's members contend, would mean families would be better able to provide for their children and themselves and the country would be able to improve labor productivity and education instead of merely trying to keep up with the demands of a burgeoning population. —L.B.



Giggles at a family planning talk in Sri Lanka.

Some Frenchmen Seek More Births in France

(Continued from Page 115)

egocentric approach to modern living. They blame the availability of abortion and contraception, the increase in the number of working women, the pursuit of pleasure, the high cost of living and the lack of laws benefiting and aiding families.

'Phenomenon of Society'

"It's a phenomenon of society, the effect of the state of spirit. The young couple has the feeling that a child is a burden and an inconvenience," said Mr. Debre.

"Intellectuals prophesize both overpopulation of the earth and the happiness of sterile couples," said Mr. Debre, adding, "it is not by diminishing the number of Frenchmen that the eventual excess of Chinese, Arabs or South Americans will be remedied."

According to Mr. Debre, the way to turn around the declining birthrate is with governmental policies to aid working mothers and families.

He proposes laws establishing lengthened and liberalized maternity leaves; free insurance and old-age pensions; more flexible working hours and the possibility of taking free professional training courses; an increase in government allowances to families; more day-care centers, preschool programs, recreational centers and camps; and sexual education programs within the framework of family education.

Reform in Law

He also would like to see a reform in French law so that contraceptive devices are not reimbursed by the state without medical authorization and abortions are not permitted unless the health or welfare of the mother or child is in danger.

Presently, France provides about \$50 a month to families with children under 3 years old or a minimum of \$250 a month to those with three or more children, allocations for multiple births (about \$2,100 for twins) and 16 weeks of maternity leave for the mother. A host of other measures cover maternity care and hospital treatment for newborns, monthly checkups for babies, and protect pregnant women at work.

In other European countries measures that favor births vary: • In West Germany, families receive about \$30 a month for their first child, about \$50 for their second and about \$120 for each child thereafter. Mothers are entitled to six months maternity leave, during which time the state reimburses their lost wages by up to about \$430 a month.

• In Britain, the state provides families with about \$10 each week per child, if the family has been subscribing to certain social-security benefits — a \$60 bonus at birth, \$40 weekly for 18 weeks following birth depending on their salary. If they return to work within 29 weeks following birth, mothers are guaranteed their former job as well as nine-tenths of their salary for the first six weeks following birth.

In Britain and Denmark the birthrate for the average couple has dropped to 1.7, in the Netherlands to 1.6 and in West Germany to 1.4. Italy is also experiencing a decline.

Squatter Housing Sought

Governments Weigh Effective Low-Cost Projects

By David Satterthwaite

This article is based on the findings of an assessment project by the International Institute for Environment and Development, London, in collaboration with the Department of Agriculture, University of Khartoum, Sudan; the Center for Urban and Regional Research, Buenos Aires; the Faculty of Environmental Design, University of Lagos, Nigeria; and the Institute of Development Studies, Mysore, India.

LONDON (IHT) — With squatter populations exceeding 1 million in some Third World cities and growing by as much as 10 percent a year, many governments are beginning to examine more closely the problem of how to put their limited funds for public housing to best use.

The housing deficit exceeds 750,000 units in nations such as Colombia, the Philippines and Morocco, and exceeds 1 million in Nigeria, Brazil and Egypt. Houses built by the private sector to official standards are far too expensive for most households. And government-sponsored housing programs reach only a small proportion of those in need.

The result is that most urban housing is built illegally. Urban land prices are vastly inflated, and many who need a house or even an undeveloped plot cannot afford one, so they build shanties on illegally occupied or subdivided land often ill-suited to permanent habitation.

In many cities, these shanties are perched on hills prone to landslides or built in areas subject to seasonal floods — the only places where the poor can obtain shelter close enough to the city to allow them to make a living.

Squatter Populations

Such huge squatter populations are becoming increasingly common. Authorities rarely extend water and sanitation services to them, and often are more disposed to bulldoze them.

Though there is a growing consensus that razing such settlements simply worsens the housing shortage, little attempt is made to get to the root of the problem and to keep land prices within reach of the masses.

Even supposedly low-cost public housing units are expensive to build, and if they are sold or rented at heavily subsidized rates, governments can afford to build them only in small numbers.

The Kenyan government planned what was to be a large, low-cost housing program between 1974 and 1978. But Kenyan officials recently admitted that only 8 percent of the planned units were completed, and on average, their cost was five times the expected cost. It is not uncommon in other nations to find public housing programs, supposedly for the poor, used by relatively senior military personnel.

Humankind Changing to Urban Species

(Continued from Page 95)

these giants, the poor cities in the developing countries face the most serious difficulties in providing people with a decent level of living.

The number of Third World city dwellers grew, in the third quarter of this century, by 400 million. The final quarter's increment is expected to be nearly three times that size. We are only just beginning to digest the impact of the last 30 years of unprecedented urban growth. Congestion, pollution, stark extremes of wealth and poverty, exploitation of rural lands and people for the benefit of the cities — all are among the challenges that the new era of city life presents. As we face the staggering implications of the additions projected for cities over the next 20 years, it becomes clear that urban-

ization on the scale and at the pace anticipated is a costly, inefficient, and perhaps unsustainable process.

Big cities have become so dominant a factor in modern life that it is hard to keep in mind how recent a phenomenon they are. The city of 5 million people did not even exist until the dawn of this century, when London reached that size. By mid-century, six cities each were home to at least 5 million. Today there are 26 cities that large or larger, and the United Nations predicts that there will be 60 by the year 2000.

As cities have increased in absolute size, they have also increased their share of the world's population. In 1920, only 14 percent of global population lived in urban areas. In 1980, 41 percent of the

world lives in cities. By the year 2000, if this trend continues, the world will have an urban majority, amounting to 3.2 billion people. Already, most countries are predominantly urban. The current global figure for urbanization is greatly affected by the figures for the giant countries of Asia — Bangladesh, China, India, Indonesia and Pakistan — that have low urbanization levels and, between them, nearly half the world's population.

Current urbanization rates — measuring the proportional shift of people from rural to urban residence — are not extraordinarily high by historical standards, even in the less developed countries.

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South Africa Seeks Loan In Europe

By Carl Gewirtz

PARIS, Aug. 31 (IHT) — South Africa, seeking the public purse on leading Western banks to finance its government, is arranging its first public Eurobond transaction in over two years.

South Africa has continued to raise money from the banks in the interim, but the funding has been kept quiet to minimize the disturbance to the lenders.

But with the government gradually relaxing its racial policies and with the economy in an ever stronger position thanks to the rise in the price of gold, South Africa wants to come out of the closet. It feels it has been pushed into. To help ease the way out, the government is making clear that the proceeds of the current loan will be used to finance programs to improve housing and schools concentrated in the "colored" (mixed race) parts of the country.

All that lead manager Dresdner

SYNDICATED LOANS

Bank will say is that the loan will be for \$250 million and a broad, public syndication will be launched. Terms are still being discussed with co-managers Barclays, Citibank and Union Bank of Switzerland.

Conditions Improved

But noting that the last previous publicly syndicated loan was for five years at 1 1/2 points over the London interbank rate, the Frankfurt banker observed that "the present conditions and position of South Africa indicate an improvement in both" maturity and margin.

Overall, there still appears to be no very definite trend about how market conditions are moving. Terms are tightening for Argentina and Brazil but are loosening for South Africa and Nigeria. If conditions do begin to tighten, as bankers wearily continue to insist will happen, then the final months of this year will probably be the time.

According to Morgan Guaranty Trust, a total of \$43.84 billion in Eurocurrency credits has been arranged so far this year, down 17 percent from the \$53 billion total at the end of 1979. With most analysts seeing a greater need for financing this year than last, an enormous amount of lending will have to take place before year-end if the goals are to be met.

The Morgan figures show that non-oil developing countries have borrowed \$13.4 billion so far in 1980, down from \$24.4 billion in the year-ago period. Only the industrialized countries — borrowing \$19.89 billion so far this year — and international institutions are ahead of last year's pace.

Argentina is currently going through a difficult stretch, having slashed terms low enough to seriously slow syndication of its \$250-million, eight-year loan carrying a split margin of 1/2-3/4 point over Libor.

Bankers now expect that the anticipated transaction of up to \$300 million for Yacimientos Petroliferos Fiscales will be held up. The oil company, which offers banks a considerable amount of what is called collateral business, is considered the best credit after the government itself.

Bankers reason that a less prestigious borrower will tap the market before YPF. The lesser credit will require a higher margin but the government has just paid and the increase will placate banks insisting on better margins. Then YPF will come and attempt to sit down the margin.

The \$150-million operation for Brazil's Siderbanc, offering a margin of 1 1/2 points over Libor for eight years, is moving slowly and bankers expect the next Brazilian borrower to pay a higher margin. Indeed, some bankers say the margin will jolt up to 1 3/4 or 1 1/2.

With Brazil running considerably behind its financing needs, talk persists about the government itself doing a billion-dollar-plus jumbo by year-end that will carry record margins in what one banker

(Continued on Page 15, Col. 1)

Recession Sends Marks & Spencer Back to the Basics

By Sandra Salmans

LONDON, Aug. 31 (NYT) — If England is a nation of shopkeepers, as Napoleon said, then its undisputed leader is Lord Sieff, 67, the chairman of Marks & Spencer, Britain's largest retailer.

Lately, however, with recession-scarred consumers cutting back spending, even the halo of St. Michael, M&S's trademark, has become a trifle tarnished.

For the first time in the company's history, its unit sales in clothing and household textiles — which account for almost 70 percent of total sales — have shown a decline, of 5 percent in the fiscal year ended in March.

Dollar volume was preserved by higher prices and some healthy gains from the company's food operations, but consumer spending became sluggish, and, last autumn, the chain cut the equivalent of \$24 million off its prices. Its first unscheduled sale in 20 years.

Bad Timing

Marks & Spencer, an unabashedly dowdy retailer that the British affectionately call "Marks & Sparks," is a victim of bad timing. Meeting stiff competition from retailers of less expensive lines, such as British Home Stores, M&S in recent years had been moving "upmarket" in trade parlance. Known as the place to go for solid, no-nonsense goods of undisputed quality at unspectacular prices, it shifted to spiffier, higher-priced merchandise, including silk blouses, cashmere coats and \$235 wool suits for men.

But then came the recession. On top of that, Britain doubled the value-added tax to 15 percent and the country experienced an unseasonably cold summer and mild autumn. The costlier clothing stayed on the racks, especially the silks and cashmères.

"The customer just didn't want it," said Lord Sieff in an interview at Michael House, the company's headquarters near its flagship Marble Arch store. "We had neglected our traditional market."



Lord Sieff

Known for solid, no-nonsense goods of undisputed quality at unspectacular prices, it shifted to higher-priced merchandise, including silk blouses, cashmere coats and \$235 wool suits for men. But no more.

No more. The stores may have added carpeting, but the piles of sweaters and other merchandise still sit on open tables under plain, bright lighting, the no-dressing-room tradition is maintained (no questions asked on refunds), and signs around the stores put renewed emphasis on "lower prices-quality maintained."

Despite double-digit inflation, Lord Sieff emphasized, prices this fall will rise no more than 5 percent.

As chairman since 1972, Lord Sieff has generally continued to propagate the gospel according to St. Michael: value for money. And it was characteristic of M&S, when it did misjudge its market, not only to admit it but to draw praise for its straightforward attempt to rectify its mistake. "Marks Hands Shoppers an 11 Million Pound Gift," was how the tabloid the Daily Mirror hailed last fall's markdowns. Britain's consumer affairs minister, Sally Oppenheim, called the price cuts "a perfect example of free enterprise in a competitive marketplace. Financial analysts also applauded the move."

Marks & Spencer was born in 1884 when Lord Sieff's grandfather, Michael Marks, a Polish immigrant, opened a bazaar in Leeds under the laconic banner, "Don't ask the price. It's a penny."

His son, Simon Marks, ran the company from 1917 until his death in 1964.

There was a brief partnership with a Thomas Spencer, but the Marks family has always run the business and, while it has only a nominal interest now, it is still heavily represented on the board. Michael Sacher, 63, another grandson of Michael Marks, is vice chairman; his son John and Lord Sieff's son David are also directors.

No Heir to Top Post

But there is no readily apparent heir to the top M&S post. The company's chairman has tended to stay on into their 70s, and the present chairman is likely to be no exception. In the family tradition, Lord Sieff — a self-described "third-generation shopkeeper" — came to M&S directly from Cambridge and, apart from the war years, has made it his life.

A trim, energetic figure who dresses in M&S apparel (although his suits are tailored for the company's Italian design consultant), Lord Sieff's other consuming interest is Israel, which, as an outspoken Zionist, he has actively supported for almost 50 years. While more than 90 percent of M&S merchandise is made in Britain — a factor that makes it of supreme importance to the ailing British cloth-

ing industry — the company's buy-British policy is sometimes waived to purchase Israeli-made apparel and food, samples of which are on display in Michael House's shrine-like Israel Room.

His staunch Zionism has earned Lord Sieff the enmity of the Palestine Liberation Organization, which in 1974 attempted to murder his uncle, Edward Sieff. "They meant to get me," maintained Lord Sieff, who now varies his route between home and office to elude assassins.

To ensure a consistently high quality in its merchandise, M&S becomes involved in every aspect of its 600-odd suppliers' operations, dictating not only the number of stitches and the width of hems but also the profit margins of those from whom it buys. Its much-publicized recent price cuts, for example, have been shared with its suppliers.

That the suppliers are willing to suffer — and unwilling for the most part to grumble, at least in public — reflects the fact that the retailer buys one-fifth of all British-made apparel, making it one of the few referees for the depressed clothing industry. It also rings up \$1 out of every \$7 spent on clothing here. In some apparel lines, such as women's underwear, it has more than half the market.

Marks & Spencer also has grown to be the fifth-largest food

retailer in Britain, concentrating in specialty foods, selling 300,000 of its quality-controlled chickens each week.

Lackluster Profits

Analysts are less impressed by the company's performance during the last decade. While sales have risen by about 20 percent yearly, to \$3.6 billion in the 1980 fiscal year ended in March, increases in profits, to \$203 million this year, have stayed only just ahead of inflation.

Also, with its 251 stores on virtually every Main Street in Britain, "it's physically impossible for M&S to grow in volume," said retailing analyst John Williams of Carr Seabag, a London stock broker.

M&S's response has been to supplement its food and clothing trade with other products, including men's suits, home furnishings, kitchenware, plants, toiletries, books and, most recently, a fast-food service. Some areas such as footwear have been successful, but others such as "Miss Michelle," a fashion line for young women, have suffered from M&S's determinedly unglamorous approach to marketing. While its target shoppers wanted cheap, chic clothing, quality-conscious M&S offered them \$60 wool dresses, and the line was dropped after two months.

Overseas Operations

The company's efforts to expand overseas have also had mixed results. Its Canadian chain of stores, started in 1972, has yet to return a profit, and its five-year investment on the Continent has been a limited success. The company plans to open several more stores in Europe in the next few years and, depending on its results in Canada, possibly expand into the United States after 1985.

Lord Sieff maintained, however, that for the next decade M&S can continue to grow at home, mainly "in our traditional department, textiles and food. You can do a helluva business in bread and tea cakes."

Surplus in World Oil Seen to Last into '81

NEW YORK, Aug. 31 (UPI) —

The world oil surplus could last another year or two unless crude production by the Organization of Petroleum Exporting Countries plunges below 27 million barrels a day, Petroleum Intelligence Weekly reports.

Even if Saudi Arabia, OPEC's biggest oil producer, lowered its production by 1 million barrels a day tomorrow, "it could still take until the autumn of 1981 to erase the accumulated surplus and possibly longer before a supply crisis developed," the weekly reported in its edition dated Sept. 1.

Saudi Arabia has been pumping 1 million barrels a day above its official daily production ceiling of 8.5 million barrels since mid-1979 and "can rightly take the credit — or blame — for the surplus," the authoritative oil journal said.

Sheikh Ahmed Zaki Yamani, the Saudi oil minister, predicted at OPEC's meeting in June that the kingdom's additional production would force the Organization of Petroleum Exporting Countries to reunify its oil prices this fall.

Huge Cushion

"While today's supply buildup is a one-time phenomenon created by a combination of 'extra' Saudi Arabian oil output and an unexpectedly sharp drop in oil demand, the huge cushion of surplus stocks could linger for another one or two years," the journal said.

Despite the present surplus, there's little reason for oil-consuming nations to feel complacent about the future supply outlook," the publication said.

It added that "OPEC's belated reduction of output to around 27 million barrels a day in recent months has succeeded in bringing current supply into line with actual current consumption."

The consuming nations began stockpiling oil in the second half last year as a buffer against Middle East disruptions, particularly in Iran.

The inventory surplus has shown no signs of dwindling because world oil demand has fallen by between 2.5 million and 3 mil-

lion barrels a day this year — a much steeper decline than anticipated, the weekly said.

For this year, oil demand in non-Communist countries is expected to average less than 50 million barrels daily last year. Consumption should decline by a total 2 million barrels a day in the United States and Western Europe, and drop by about 400,000 barrels a day in Japan, according to recent estimates.

"This reduced demand rate is likely to continue through 1981, and some expect the fall to be even more severe than present forecasts indicate," the journal said.

The oil industry now estimates inventories should peak at about 5.8 billion barrels this fall — equal to more than a 110-day supply, the weekly said. Although a large portion of these stocks are in the pipeline or in transit, commercially usable inventories should reach 1.1 billion barrels, including a 400-million-barrel surplus in addition to 700 million barrels of "normal" seasonal stocks.

U.S. Approves Air Fare Rises on Foreign Routes

WASHINGTON, Aug. 31 (AP) —

The Civil Aeronautics Board has approved fare increases to take effect Oct. 1 in foreign air service to compensate airlines for higher fuel prices and other increased costs.

The board on Friday set new levels for two- and four-month periods beginning at that date. Airlines which choose to put the four-month increase into effect may not take advantage of the next scheduled two-month revision on Dec. 1.

In Atlantic service, increases of 2.82 percent for the four-month period and of 2.11 percent for the two-month period were allowed, while increases of 1.49 percent in the four-month period and 0.7 percent in the two-month period were allowed in Pacific service.

GM to Raise \$100 Million With Payment Deferred

By Carl Gewirtz

PARIS, Aug. 31 (IHT) — General Motors is making its first venture into the Eurobond market under its own name, well-informed banking sources report, using the deferred-payment mechanism introduced to the market two weeks ago.

GM, one of the premier U.S. credits, has raised funds earlier through such subsidiaries as General Motors Overseas Finance Corp. or General Motors Acceptance Corp. The current operation is the first public U.S. dollar borrowing by the parent company since 1975.

The loan is understood to be for around \$100 million. Final payment is to be deferred for slightly longer than six months. The maturity is short, reportedly five years, and the coupon is said to be "under 12 percent."

The deferred payment formula was introduced to the Eurobond market two weeks ago by Credit Suisse First Boston. The U.K.-based investment bank refused to comment on the GM report.

Alcoa of Australia was the first to use the technique, which requires subscribers to put down 25 percent of the purchase price immediately and the balance later. The down payment represents an option to buy the paper as purchasers are free to refuse to put up the final purchase price. In such an event, resulting from a sharp rise in interest rates, the borrower walks away with the down payment.

Criticized

The formula has been criticized by some bankers as too speculative to be considered an investment (IHT, Aug. 25). The Alcoa option ended the week at about \$210, a decline of 16 percent, as interest rates moved up — making the 12 1/2-percent coupon offered on the Alcoa paper less attractive.

New formulas are clearly the fad as investment bankers stretch their imagination in trying to draw investors back into the market. Currently, they are sidelined waiting for a clearer trend to emerge in how interest rates are going to move.

With the U.S. economy apparently recovering from the recession too rapidly and the money supply continuing to grow faster than targeted, the recent firming of short-term interest rates is likely to continue in coming days.

The updraft in short-term rates

EUROBONDS

has paralyzed the market. While the rise is real enough, many dealers cannot believe it is happening. The fact that rates could begin climbing again in the run-up to the November presidential election has confounded many market participants, who had convinced themselves that political considerations dictated a full-blown easing of rates by now.

With investors on the sidelines, investment bankers have been working overtime designing ways to attract them into the market and the latest innovation comes from the Union Bank of Switzerland,

land, which is introducing the conversion bond.

There may be some question as to which of the novel formulas has been less well received. The UBS experiment (applying a technique already used in various domestic markets) was rejected by 14 of the 16 banks invited to join as co-managers. With only Banque de Bruxelles-Lambert and Kredietbank Luxembourg accepting the invitation, UBS decided to redesign its approach and came to the market as sole manager of a \$100-million, seven-year offering for the European Investment Bank.

The coupon on the new issue is set at 12 1/2 percent — a level that many bankers consider at least half a point below what the EIB should actually be paying in current conditions.

The new operation is designed to replace \$100 million of EIB bonds maturing Sept. 15. Holders of these 9-percent bonds issued in 1975 are invited to convert them into the new issue. In return, they will avert paying bank charges on

redeeming the maturing bonds or commissions on buying the new paper (the waiving of these fees is of only marginal value as many banks do not charge clients for these services).

The operation is a good deal for the EIB. It avoids the cash-flow disruption of having to lay out \$100 million to redeem the maturing paper. It also gets use of \$100

(Continued from Page 15, Col. 4)

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REPUBLIC OF TUNISIA

SOCIETE TUNISIENNE DE L'ELECTRICITE ET DU GAZ



INTERNATIONAL TENDER OFFER

A NEW THERMAL POWER STATION AT RADES

The Société Tunisienne de l'Electricité et du Gaz (STEG) is in the process of soliciting an international tender offer for the supply of Electro-mechanical control equipment of the first stage of a new thermal power station sited at Rades in the Tunis region, and which will consist of two identical stages, each of between 140 MW and 160 MW.

Contractors wishing to participate in this project may obtain the tender file as from 10 September 1980 at the Head office of the:

SOCIETE TUNISIENNE DE L'ELECTRICITE ET DU GAZ
Department Equipment Production
Batiment 1°
38, rue Kemal Atatürk, Tunis, Tunisia

against payment of 500 (Five Hundred) Tunisian Dinars or equivalent in foreign currency.
The conditions of contract must be collected no later than 10 October 1980.

Notice to Holders of

European Investment Bank

U.S. \$100,000,000 9% Notes due 15th September, 1980

Holders of the above Notes (the "1980 Notes") are advised that, subject to signature of a conversion and purchase agreement and to the satisfaction of the conditions to be contained therein, the 1980 Notes can be exchanged for 12 1/2% Notes due 15th September, 1987 of European Investment Bank.

Holders of 1980 Notes wishing to exchange such 1980 Notes should notify their bank not later than Friday, 5th September, 1980.

Banks may obtain further information about the procedure for exchange and the terms and conditions of the 12 1/2% Notes due 15th September, 1987 from:

Union Bank of Switzerland (Securities) Limited
The Stock Exchange Building
London EC2N 1EY

Telex: 638 0582
Telex: 8811604

29th August, 1980.

Numerical Lists and Golden Rules

Economics: Shaped by Culture

By Leonard Silk

NEW YORK (NYT) — Economics, far from being a pure and universal science, is a product of culture. The brands of economics vary with different cultures. Take China, for example, with its love of numerical lists and of symbolic symmetry.

Within the Forbidden City of Peking stands the Seren of the Nine Dragons. Nearby, fanning out from the Palace of Earthly Tranquility, are six Eastern and six Western palaces. And to the north of the city stand the stone statues of 12 beasts, real and mythical, and the figures of 12 imperial ministers, all once real.

The Chinese Communists, like their feudal ancestors, still love numerical symmetry, and it shapes their economics. Mao set forth Ten Major Relationships ("heavy industry on the one hand and light industry and agriculture on the other," "industry in the coastal regions and industry in the interior," for example).

Mao's followers, Premier Hua Guofeng and the senior deputy premier, Deng Xiaoping, declare that China must pursue the Four Modernizations — in farming, industry, science and defense.

Five Fixes

To achieve the modernizations, the state must give enterprises the Five Fixes: the fix of production plans; the fix of the number of workers and plants; the fix of sources of supplies of fuel, tools and raw materials; the fix of capital assets and funds; and the fix of cooperation.

In return, enterprises must give the state the Five Guarantees: the guarantee of quantity, quality and variety of products; the guarantee not to exceed the total wage quota (Chinese Income Policy); the guarantee to fulfill the cost plan; the guarantee to fulfill the profit plan; and the guarantee to protect the life of capital equipment.

Thus have the Chinese Communists blended modern economics with their ancient love of symmetries and numbers.

In Western societies, culture also pervades and shapes economics, as the new Republican Party platform demonstrates. Historically, devotion to the gold standard was the mark of true Republicans; they were the bitter foes not only of Franklin Roosevelt and John Maynard Keynes but also of William Jennings Bryan and all other foes of gold, the embodiment and guarantor of "sound money."

In recent decades, modern economic theory, not only in its Keynesian variety but in that monetarist form advocated by Milton Friedman, seemed to have exorcised belief in the gold stan-

dard from the Republican psyche. But the traditional Republican economic commitment to gold has now returned: in what one of Ronald Reagan's advisers calls "the most important, unreported language in the Republican platform." The key monetary plank in the platform declares:

"Ultimately, inflation is a decline in the value of the dollar, the monetary standard. Until the decade of the 1970s, monetary policy was automatically linked to the overriding objective of maintaining a stable dollar value."

"The severing of the dollar's link with real commodities in the 1960s and 1970s, in order to pursue economic goals other than dollar stability, has unleashed hyperinflationary forces at home and monetary disorder abroad, without bringing any of the desired economic benefits. One of the most urgent tasks in the period ahead will be the restoration of a dependable monetary standard — that is, an end to inflation."

NEWS ANALYSIS

Admittedly, that plank does not contain the word "gold," the commodity that the drafters of the clause had in mind as the surrogate for all other commodities. Presumably, peace was purchased from those members of the platform committee still nervous and uncertain about returning the United States to the gold standard and not yet ready to give up their Friedmanite belief that keeping the money supply (however defined) growing at a moderate and steady pace is more likely to produce both monetary and economic stability than locking the dollar to a fixed gold price.

But the new populist-conservative wing of the Republican Party, led by Rep. Jack Kemp of New York, gained Mr. Reagan's support and won on gold.

And the Republican Party is now pledged to an economic policy that would greatly reduce tax burdens (thereby using fiscal policy to stimulate rapid growth) while putting the United States back on the gold standard (using its hallowed monetary policy to stop inflation). Thus, Republican culture has triumphed over Friedmanite theory.

But just how much of a fight Mr. Reagan would make for a return to gold, if he is elected president, remains uncertain. During the campaign he has only faintly and guardedly endorsed the gold standard. As with the Chinese Communists in their reverence for the old, form may be more important than substance to the Republicans.

South Africa Seeking Loan in Europe

(Continued from Page 13)

called "a realistic evaluation of market conditions."

Venezuela's development bank, IV, has completed a \$150-million "one-year transaction priced at a half-point over Libor, sweetened with a half-point commitment fee."

Now seeking one-year money is the nation's port authority, INP, which is raising \$228.5 million and offering a quarter-point over Libor. The effective rate will be high, as the interest is to be paid quarterly. With Libor at 10 percent, the effective return to banks is calculated at 0.63 over Libor and if Libor itself is over 11 percent the effective rate goes up to 0.70 percent. On the other hand, some banks worry, Libor could fall below 10 percent, cutting the effective return.

Grain, Soybean Prices Forced Up

CHICAGO, Aug. 31 (AP) — Reports of crop deterioration and later than anticipated export demand pushed grain and soybean prices sharply higher Friday at the close of the Chicago Board of Trade.

Traders said the export demand was also a positive influence for grain and wheat prices. Traders are expecting heavy deliveries of commodities Tuesday against the piling September contracts. Instead, first-notice day on Thursday traders with an obligation to

take delivery resulted in lighter deliveries than expected in wheat and corn, they said.

Adding to a rally in the soybean pit were reports of further crop damage in the Mississippi Delta growing area, traders said.

At the close, soybeans were 15 1/2 cents to 20 1/2 cents per bushel higher, September \$7.94 1/4; oats were 4 1/4 cents to 6 cents higher, September \$1.86; wheat was 4 1/2 cents to 7 1/2 cents higher, September \$4.52 1/4; corn was 5 cents to 8 1/2 cents higher, September \$3.58 1/4.

million, offering a split rate of 3/4 point over the prime rate of U.S. banks. Bankers do not rule out the possibility of increasing this loan to \$500 million as terms are considered juicy. The prime rate already has a profit for the banks built into it.

A state of Italian loans is expected. ENI is said to be sounding out the market for up to \$500 million. IMI, another state holding company, is considering an operation as are STET and Ferrovie.

In Africa, Nigeria is seeking \$75 million to be used to construct a dam. The margin on the eight-year loan is a split 3/4-1 point over Libor and front-end fees range from 1 1/2 to 2 1/4 percent.

In one of the rare 12-year transactions, Air Afrique is seeking \$63 million to finance the purchase of a Boeing 747. It is offering a hefty 1 1/2 points over Libor for the first eight years and 1 1/2 over for the remainder. However, bankers say the long maturity is slowing the reception.

In Asia, China Ocean Shipping is seeking \$25 million for five years, offering a half-point margin over Libor. A number of other state agencies has been sounding the market and the government itself is soon expected to be back in the market.

GM to Raise \$100 Million With Payment Deferred

(Continued from Page 13)

million for another seven years at a net cost of 12.82 percent (deducting the maximum 2-percent commission it will pay) whereas a new issue priced on the market would cost a gross 12.92 percent before deduction of commissions that would raise the net cost to the EIB to over 13 percent.

As originally constructed, the operation was also a good deal for UBS. The Swiss bank was lead manager of the original issue and presumably would be able to lay its hands on much of the maturing paper. This was critical as the EIB is to pay a commission of 1 percent on all bonds converted to the new issue.

Commission

The EIB was also to pay 1 percent to banks for managing, underwriting and placing the new issue and UBS was to take a quarter-percent off the top of this as a "praeceptum" for being lead manager. Thus, banks without any maturing paper to submit were being offered a commission of 1/4 percent.

In effect, banks being asked to take the greatest risk — underwriting the new issue without having clients lined up to buy it — were to get the least reward while banks taking the least risk — with clients ready to convert — were to get the most commissions.

As currently constructed, the operation is most favorable to holders of the maturing EIB paper who do not buy any of the new issue. With UBS now sole manager, it is currently seeking to buy all of the outstanding issue before the Sept. 15 redemption and is offering to pay holders who want their cash a premium of a quarter percent, or \$1,000.00 for each certificate carrying a redemption value of \$1,000.00, of course, will pocket 0.75 percent by then converting these into the new issue, for which it will be paid 1 percent.

Investors who make the conversion appear to benefit least from this operation. Assuming they desire to re-invest the cash in seven-year EIB paper, they could do so at more attractive rates by buying in the secondary market. EIB 8 1/4 of 1987 can be bought to yield 12.92 percent while the 1 1/2 of 1988 can be had for a yield of 12.96 percent. The effective yield is sweetened if the quarter-point premium UBS is offering to pay nonconverters is added.

Just what UBS gets out of all this is not clear. The 2-percent commission seems hardly worth the effort if the bank has to inventory the issue and it is not clear why investors would want to buy it.

Not to be overlooked is the fact that so many banks said "no" to the UBS invitation — a very rare event. Banks appear to be prepared to speak their mind.

Borrower Jilted

A quite startling example of this was the refusal of managers attending the presumed signing of the \$50-million floating rate note for Fuqua Industries to actually sign. Bankers said they could not recall any other example of a borrower jilted at the last minute. Lead manager Chemical Bank insists that it was all a misunderstanding and that the loan will be completed later this week.

But informed sources report that two co-managers are refusing to accept the offered terms — a coupon set at 3/4 percent over the six-month interbank rate — because little of the issue was actually sold.

The only other dollar issues on offer are convertible into common stock:

• Oak Industries, a major par-

ticipant in the pay-TV market in the United States and a manufacturer of equipment to receive cable-TV programs, is offering \$25 million of 15-year bonds carrying a coupon of 8 1/2 percent. After 90 days, the bonds will be convertible into the stock listed on the New York Stock Exchange at a premium of 10 to 15 percent over the price when final terms are set. At the current price of \$38 a share, investors can earn a yield of only 1 percent through dividends paid on the stock.

• Minolta Camera of Japan is offering \$30 million of 15-year bonds carrying a coupon of 7 percent. A conversion premium of 15 percent is expected.

In the so-called Asiatic market, Bangkok Bank is offering to sell \$20 million of three-year floating-rate certificates of deposit. Interest will be set at a quarter-point over the six-month interbank rate as quoted in Singapore.

The Deutsche mark sector of the market ended the week on as lackluster a note as the dollar sector.

Prices in the secondary market weakened and investors refused to be lured into new issues.

The 7 1/2-percent Japan Development Bank's seven-year notes ended the week yielding 8.01 percent while the 7 1/2-percent Swedish issue for 10 years ended with a yield of 8.10 percent.

Bankers said the market was simply reacting to the vagaries of the dollar sector and as dollar rates rise, pulling interest-sensitive funds out of West Germany, yields on DM paper are pushed up to remain competitive. Two issues scheduled to have been announced were not brought to market and the Nuclearbarz deal to be managed by Deutsche Bank will be launched this week and therefore included in the calendar for the coming month, which is to be set tomorrow in Frankfurt.

Currently on offer are:

• 100 million DM for Red Nacional de los Ferrocarriles Espanoles (Renfe), guaranteed by Spain. The coupon on this eight-

year paper is expected to be set at 8 1/2 percent.

• 30 million DM for Seiyu Stores, carrying a coupon of 8 1/4 percent and the guarantee of Dai-ichi Kangyo Bank. These six-year notes are expected to be sold at a discount of 9 1/4.

• 40 million DM of convertible bonds of Nippon Paint carrying a coupon of 6 1/4 percent and offering investors the right to redeem for cash after five years at a premium of 10 percent.

Eurobond Yields*

Week Ended August 29

International Institutions	Yields
Industrials, long term	12.39 %
Industrials, medium term	12.30 %
Industrials, short term	12.10 %
Canadian dollars, medium term	12.72 %
French franc, long term	12.77 %
Unit of acc. long term	10.03 %

* Calculated by Lazard Freres & Co. S.A. Market Turnover Week Ended 29 August (Millions of U.S. Dollars)

Total 469.7 Dollar Eurobonds 172.3 Non-dollar Eurobonds 297.4

Source: Euromoney

These notes having been placed privately, this announcement appears as a matter of record only.



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Amsterdam-Rotterdam Bank N.V.

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August 15, 1980

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ALTOS HORNOS DEL MEDITERRANEO, S.A. (AHM)

EMPRESA NACIONAL SIDERURGICA, S.A. (ENSIDESA)

EMPRESA NACIONAL DE AUTOCAMIONES, S.A. (ENASA)

POTASAS DE NAVARRA, S.A.

US \$350,000,000

LOAN FACILITY

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J. Henry Schroder Bank and Trust Company/

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Lloyds Bank International Limited

Member of the Lloyds Bank Group

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Sucursal en España

Bank of Tokyo International Limited

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Caja de Ahorros Municipal de Bilbao

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Agent

Deutsche Bank
Compagnie Financière Luxembourg

June 1980

These securities having been sold, this announcement appears as a matter of record only.

NEW ISSUE

AUGUST, 1980



European Coal and Steel Community ("ECSC")

US \$50,000,000

11 1/4 per cent. Bonds due 1st August, 1990

Interest payable annually on 1st August.

KUWAIT INVESTMENT COMPANY (S.A.K.)

HILL SAMUEL & CO. LIMITED

ABU DHABI INVESTMENT COMPANY

ARAB BANKING CORPORATION (ABC)

BANQUE NATIONALE DE PARIS

KUWAIT FOREIGN TRADING CONTRACTING & INVESTMENT CO. (S.A.K.)

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GIROZENTRALE

SENIOR EXECUTIVE JOB GUIDE

Published at the end of the week, this is a compilation of senior level job opportunities from selected publications. Senior level jobs published by the International Herald Tribune through Tuesday automatically appear in this feature.

To place an advertisement in "INTERNATIONAL EXECUTIVE OPPORTUNITIES," contact our office in your country (listed in classified section). Any questions or comments concerning this feature can be directed to Juanita Casper in the Paris office.

JOB TITLE	SALARY	EMPLOYER	JOB LOCAT.	SOME OF THE QUALIFICATIONS	CANDIDATES SHOULD MAKE CONTACT WITH	ADVT. Source
DIRECTOR, INTERNATIONAL MARKETING		Trans-World Commercial Site Repairs.		Wealth of contacts in various circles, domestic & overseas.	Project 8716, Toronto: (416) 928 77 82, 30 Prince Arthur Ave. W. 10th Fl. London SW1: (01) 834 7896, 24 Buckingham Gate.	Wall Street Journal 13-4-80
MANAGER, COMMUNICATIONS		General Electric.	South West of England	Creative, demonstrated ability to lead & direct the work of both outside advertising agency & in-house specialist staff.	R.G. Kral, General Electric Plastics Europe, P.O. Box 117, 4600 AC Bergen op Zoom, Holland, Tel.: (01646) 22511.	L.I.T. 21-4-80
INTERNATIONAL COCOA TRADER		Sagra S.A.	Switzerland, Neuchâtel	Several yrs. practical exp. in commodity (physical trading at Int'l level; Swiss nat. or Swiss permit).	Mr. M.E. Krasser, International S.A., Case Postale, CH-1001 Lausanne, Tel.: 821/271561.	L.I.T. 21-4-80
PRODUCTIONS-LEADER		Int'l. Studios International Productions.	Finland	Exp. in leading & co-ordinating activities of Int'l. prod. team.	Int'l. Studios International Productions, Helsinki/Finland, Tel.: 0228/211713, W. Deutschland.	L.I.T. 21-4-80
GENERAL MANAGER	\$65,000 to \$100,000 +	Int'l. U.S. Electronics Corp.	London	Exp. of leading & co-ordinating activities of Int'l. prod. team.	Ref. T. 22, Tharion Executive, 320/322 Kensington Park Road, London SW14 4PP, Tel.: 01-582 9388.	L.I.T. 21-4-80
FINANCE MANAGER, Saudi Arabia	c. \$11,000 per month + benefits	Marine Transport Int'l Co. Ltd.	Saudi Arabia	Qualified accountants; 10-15 yrs. exp. at senior level of both financial & mgmt. acctg.	Ref. 11333/L, E.W. Corfield, Post, Harrow, Middlesex & Co., 105 Home Victoria St., London SW4 3PD, 01-230 3561.	Financial Times 21-4-80
PETROLEUM ENGINEERS in Europe	Very attractive	Arasac.		Flair, adaptability, engineering exp. or equiv., 3 yrs. exp. in Refining & Petrochem. Reservoir or Production Engineering.	Ref. ABC/123, O.E.P. Corp., Arasac, Employment Dept., Building 1723, Houston, Texas 77058.	L.I.T. 22-4-80
SENIOR ENGINEERS	Attractive	Alm. Ghali National Oil Co.	Alm. Ghali	Mgmt. of min. 8 yrs. of relevant exp.; Bachelor's deg. at min. 2 relevant disciplines; exp. in oil field.	Ref. 12333/L, E.W. Corfield, Post, Harrow, Middlesex & Co., 105 Home Victoria St., London SW4 3PD, 01-230 3561.	L.I.T. 23-4-80
PORT TECHNICAL DIRECTOR, West Africa		Int'l. mining consortium operating in Republic of Guinea.	Republic of Guinea	Engineering exp. (incl. Chemical/Genl.); significant exp. in port tech. mgmt. & maintenance; exp. in French.	Ref. 1003/INT, Philip Smith, 95-47 Jarrow Road, London SW17 6JL.	L.I.T. 23-4-80
SUGAR FACTORY MANAGER	In excess of \$5,000,000	Large raw sugar mill & refinery.	Third world country	Min. 10 yrs. exp. in responsible sugar factory mgmt. position.	Box 1618, International Herald Tribune, 25221 Newby Corners, France.	L.I.T. 23-4-80
CHEMICAL FIELD PRODUCT MANAGER	Up to \$1,200,000	Major U.S. firm.	Breussels	About 20 yrs. chem. or other specific deg. or a commercial deg. with port. exp. in chemical field; exp. in U.S. & E.	Caracis International, Square Larocque 1, 1068 Brussels.	L.I.T. 23-4-80
OPERATIONS MANAGER	Excellent	Ashtad Oil.	Port Harcourt, Nigeria	Petroleum Engineering deg.; min. 8 yrs. exp. in oil field, drilling & maintenance of currently prod. western oil fields.	A.E. Porterfield, Ashtad Oil, Inc., P.O. Box 381, Ashtad, TX 41101.	L.I.T. 23-4-80

Over-the-Counter

Over-the-Counter

NEW YORK (AP)—Weekly Over the Counter stocks ending the week low, and last bid prices for the week with the net change from the previous week's last bid prices. All quotations supplied by the National Association of Securities Dealers, Inc. are not actual transactions but are representative intermediate prices at which these securities could have been sold. Prices do not include retail markets markdown on commission.

Prices supplied by NASD.

Symbol	High	Low	Close	Net
ABX	10.00	9.75	9.87	+0.12
AC	10.00	9.75	9.87	+0.12
AD	10.00	9.75	9.87	+0.12
AE	10.00	9.75	9.87	+0.12
AF	10.00	9.75	9.87	+0.12
AG	10.00	9.75	9.87	+0.12
AH	10.00	9.75	9.87	+0.12
AI	10.00	9.75	9.87	+0.12
AJ	10.00	9.75	9.87	+0.12
AK	10.00	9.75	9.87	+0.12
AL	10.00	9.75	9.87	+0.12
AM	10.00	9.75	9.87	+0.12
AN	10.00	9.75	9.87	+0.12
AO	10.00	9.75	9.87	+0.12
AP	10.00	9.75	9.87	+0.12
AQ	10.00	9.75	9.87	+0.12
AR	10.00	9.75	9.87	+0.12
AS	10.00	9.75	9.87	+0.12
AT	10.00	9.75	9.87	+0.12
AV	10.00	9.75	9.87	+0.12
AW	10.00	9.75	9.87	+0.12
AX	10.00	9.75	9.87	+0.12
AY	10.00	9.75	9.87	+0.12
AZ	10.00	9.75	9.87	+0.12
BA	10.00	9.75	9.87	+0.12
BB	10.00	9.75	9.87	+0.12
BC	10.00	9.75	9.87	+0.12
BD	10.00	9.75	9.87	+0.12
BE	10.00	9.75	9.87	+0.12
BF	10.00	9.75	9.87	+0.12
BG	10.00	9.75	9.87	+0.12
BH	10.00	9.75	9.87	+0.12
BI	10.00	9.75	9.87	+0.12
BJ	10.00	9.75	9.87	+0.12
BK	10.00	9.75	9.87	+0.12
BL	10.00	9.75	9.87	+0.12
BM	10.00	9.75	9.87	+0.12
BN	10.00	9.75	9.87	+0.12
BO	10.00	9.75	9.87	+0.12
BP	10.00	9.75	9.87	+0.12
BQ	10.00	9.75	9.87	+0.12
BR	10.00	9.75	9.87	+0.12
BS	10.00	9.75	9.87	+0.12
BT	10.00	9.75	9.87	+0.12
BV	10.00	9.75	9.87	+0.12
BW	10.00	9.75	9.87	+0.12
BX	10.00	9.75	9.87	+0.12
BY	10.00	9.75	9.87	+0.12
BZ	10.00	9.75	9.87	+0.12
CA	10.00	9.75	9.87	+0.12
CB	10.00	9.75	9.87	+0.12
CC	10.00	9.75	9.87	+0.12
CD	10.00	9.75	9.87	+0.12
CE	10.00	9.75	9.87	+0.12
CF	10.00	9.75	9.87	+0.12
CG	10.00	9.75	9.87	+0.12
CH	10.00	9.75	9.87	+0.12
CI	10.00	9.75	9.87	+0.12
CJ	10.00	9.75	9.87	+0.12
CK	10.00	9.75	9.87	+0.12
CL	10.00	9.75	9.87	+0.12
CM	10.00	9.75	9.87	+0.12
CN	10.00	9.75	9.87	+0.12
CO	10.00	9.75	9.87	+0.12
CP	10.00	9.75	9.87	+0.12
CQ	10.00	9.75	9.87	+0.12
CR	10.00	9.75	9.87	+0.12
CS	10.00	9.75	9.87	+0.12
CT	10.00	9.75	9.87	+0.12
CV	10.00	9.75	9.87	+0.12
CW	10.00	9.75	9.87	+0.12
CX	10.00	9.75	9.87	+0.12
CY	10.00	9.75	9.87	+0.12
CZ	10.00	9.75	9.87	+0.12
DA	10.00	9.75	9.87	+0.12
DB	10.00	9.75	9.87	+0.12
DC	10.00	9.75	9.87	+0.12
DD	10.00	9.75	9.87	+0.12
DE	10.00	9.75	9.87	+0.12
DF	10.00	9.75	9.87	+0.12
DG	10.00	9.75	9.87	+0.12
DH	10.00	9.75	9.87	+0.12
DI	10.00	9.75	9.87	+0.12
DJ	10.00	9.75	9.87	+0.12
DK	10.00	9.75	9.87	+0.12
DL	10.00	9.75	9.87	+0.12
DM	10.00	9.75	9.87	+0.12
DN	10.00	9.75	9.87	+0.12
DO	10.00	9.75	9.87	+0.12
DP	10.00	9.75	9.87	+0.12
DQ	10.00	9.75	9.87	+0.12
DR	10.00	9.75	9.87	+0.12
DS	10.00	9.75	9.87	+0.12
DT	10.00	9.75	9.87	+0.12
DV	10.00	9.75	9.87	+0.12
DW	10.00	9.75	9.87	+0.12
DX	10.00	9.75	9.87	+0.12
DY	10.00	9.75	9.87	+0.12
DZ	10.00	9.75	9.87	+0.12
EA	10.00	9.75	9.87	+0.12
EB	10.00	9.75	9.87	+0.12
EC	10.00	9.75	9.87	+0.12
ED	10.00	9.75	9.87	+0.12
EE	10.00	9.75	9.87	+0.12
EF	10.00	9.75	9.87	+0.12
EG	10.00	9.75	9.87	+0.12
EH	10.00	9.75	9.87	+0.12
EI	10.00	9.75	9.87	+0.12
EJ	10.00	9.75	9.87	+0.12
EK	10.00	9.75	9.87	+0.12
EL	10.00	9.75	9.87	+0.12
EM	10.00	9.75	9.87	+0.12
EN	10.00	9.75	9.87	+0.12
EO	10.00	9.75	9.87	+0.12
EP	10.00	9.75	9.87	+0.12
EQ	10.00	9.75	9.87	+0.12
ER	10.00	9.75	9.87	+0.12
ES	10.00	9.75	9.87	+0.12
ET	10.00	9.75	9.87	+0.12
EV	10.00	9.75	9.87	+0.12
EW	10.00	9.75	9.87	+0.12
EX	10.00	9.75	9.87	+0.12
EY	10.00	9.75	9.87	+0.12
EZ	10.00	9.75	9.87	+0.12
FA	10.00	9.75	9.87	+0.12
FB	10.00	9.75	9.87	+0.12
FC	10.00	9.75	9.87	+0.12
FD	10.00	9.75	9.87	+0.12
FE	10.00	9.75	9.87	+0.12
FF	10.00	9.75	9.87	+0.12
FG	10.00	9.75	9.87	+0.12
FH	10.00	9.75	9.87	+0.12
FI	10.00	9.75	9.87	+0.12
FJ	10.00	9.75	9.87	+0.12
FK	10.00	9.75	9.87	+0.12
FL	10.00	9.75	9.87	+0.12
FM	10.00	9.75	9.87	+0.12
FN	10.00	9.75	9.87	+0.12
FO	10.00	9.75	9.87	+0.12
FP	10.00	9.75	9.87	+0.12
FQ	10.00	9.75	9.87	+0.12
FR	10.00	9.75	9.87	+0.12
FS	10.00	9.75	9.87	+0.12
FT	10.00	9.75	9.87	+0.12
FV	10.00	9.75	9.87	+0.12
FW	10.00	9.75	9.87	+0.12
FX	10.00	9.75	9.87	+0.12
FY	10.00	9.75	9.87	+0.12
FZ	10.00	9.75	9.87	+0.12
GA	10.00	9.75	9.87	+0.12
GB	10.00	9.75	9.87	+0.12
GC	10.00	9.75	9.87	+0.12
GD	10.00	9.75	9.87	+0.12
GE	10.00	9.75	9.87	+0.12
GF	10.00	9.75	9.87	+0.12
GG	10.00	9.75	9.87	+0.12
GH	10.00	9.75	9.87	+0.12
GI	10.00	9.75	9.87	+0.12
GJ	10.00	9.75	9.87	+0.12
GK	10.00	9.75	9.87	+0.12
GL	10.00	9.75	9.87	+0.12
GM	10.00	9.75	9.87	+0.12
GN	10.00	9.75	9.87	+0.12
GO	10.00	9.75	9.87	+0.12
GP	10.00	9.75	9.87	+0.12
GQ	10.00	9.75	9.87	+0.12
GR	10.00	9.75	9.87	+0.12
GS	10.00	9.75	9.87	+0.12
GT	10.00	9.75	9.87	+0.12
GV	10.00	9.75	9.87	+0.12
GW	10.00	9.75	9.87	+0.12
GX	10.00	9.75	9.87	+0.12
GY	10.00	9.75	9.87	+0.12
GZ	10.00	9.75	9.87	+0.12
HA	10.00	9.75	9.87	+0.12
HB	10.00	9.75	9.87	+0.12
HC	10.00	9.75	9.87	+0.12
HD	10.00	9.75	9.87	+0.12
HE	10.00	9.75	9.87	+0.12
HF	10.00	9.75	9.87	+0.12
HG	10.00	9.75	9.87	+0.12
HH	10.00	9.75	9.87	+0.12
HI	10.00	9.75	9.87	+0.12
HJ	10.00	9.75	9.87	+0.12
HK	10.00	9.75	9.87	+0.12
HL	10.00	9.75	9.87	+0.12
HM	10.00	9.75	9.87	+0.12
HN	10.00	9.75	9.87	+0.12
HO	10.00	9.75	9.87	+0.12
HP	10.00	9.75	9.87	+0.12
HQ	10.00	9.75	9.87	+0.12
HR	10.00	9.75	9.87	+0.12
HS	10.00	9.75	9.87	+0.12
HT	10.00	9.75	9.87	+0.12
HV	10.00	9.75	9.87	+0.12
HW	10.00	9.75	9.87	+0.12
HX	10.00	9.75	9.87	+0.12
HY	10.00	9.75	9.87	+0.12
HZ	10.00	9.75	9.87	+0.12
IA	10.00	9.75	9.87	+0.12
IB	10.00	9.75	9.87	+0.12
IC	10.00	9.75	9.87	+0.12
ID	10.00	9.75	9.87	+0.12
IE	10.00	9.75	9.87	+0.12
IF	10.00	9.75	9.87	+0.12
IG	10.00	9.75	9.87	+0.12
IH	10.00	9.75	9.87	+0.12
IJ	10.00	9.75	9.87	+0.12
IK	10.00	9.75	9.87	+0.12

(Continued on Page 17)

Friday Baseball: Royals Outslug Rangers

Sales in	100% High		Low	Last	Net	Chgs
64 1/2	24 3/4	24	30 1/2	—	30	
86	46 1/4	44 1/2	44 1/2	—	44 1/2	1 1/2

[illegible]

tie with Houston's sixth run. Don Smith (4-5) pitched three innings for the victory.

Martinez (4-9) capped a three-inning performance with a home run in the fourth inning and rallied Atlantes to its sixth triumph, 4-3, in the 11th game. Tommy Boggs (8-1) won the seventh game. Tommy Boggs (8-1) won the seventh game.

Phillies 3, Padres 2
In San Diego, Larry Christens

Diego, 3-2. Christensoo (5-1) hit the Padres scoreless until the seventh. McGraw picked up his 13th

In San Francisco, Terry Wolf's two-out, eighth-inning single scored Bill North with game's only run. Winner Vida R.

Line Scores

San Diego 000 008 200-2.
Christenson, McGraw (7) and Morello
Boone (7); Mura, Armstrong (7), Lucas (8)
Tanaka, W.—Christenson, 5-1. L—Mura, 4-7.
(9),
th. 4.

4 8	Texas	300	000	200	02-7	1
4 8	Kansas City	001	109	102	09-5	1

Oakland 060 702 030 0-4 T
Boston 000 671 084 1-7 T

Chicago	290 000 500-2
Cleveland	118 000 125-4
2½	Saunders, Proly (7) and Pruitt; Splitter
7½	V. Cruz (7) and Diaz. W-Splitter, 13-9. L-Saunders
10½	arten, 2-9. HR-Cleveland, Charbonneau (20)
10½	

19 Jackson, Hausman (5), Reardon (6) and Tri-
no: Ripley, Griffin (6), Lavette (6), Montic
(8), Holland (9) and Sadek, May (8). W-H
man, 6-4. L-Ripley, 7-7. HR-San Francisco
and (17).

Cincinnati 200 200 000-5-1
Pittsburgh 200 007 000-3
Seaver and Nolan; Bibby, Solomon (4), R

More Sports

Option & price					
Bolty	25	1/2	b	b	
Bolty p	22	7/8	b	b	
Comp	32	1 1/4	b	b	

Major League Standings

[illegible]

For the Week Ending August 29, 1980

[illegible]

(Continued from Back Page)

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FRANKFURT - GIESSEN Escort Ser-
vice Tel: 0611 65184.
FRANKFURT - MAINAM Escort Ser-
vice Tel: 0611-292713.
FRANKFURT - MAIN Escort Ser-
vice Tel: 0611-68142.
ZURICH Tel: 0499-6103-8200
Orange Escort Service
VALENTINE ESCORT SERVICE
Athens 3690002.
LONDON - JACQUELINE Escort Ser-
vice, Tel: 01 402 7745.
LONDON - TANIA Escort Service
Tel: 01 223-5554.
ENGLISH ESCORT SERVICE, London
Heathrow area, Tel: 01-734-6811.
LONDON - ANGELA Escort Service
Tel: 01-432 7033.
UNIVERSAL ESCORT SERVICE
London, Tel: 302 3010.
ZURICH ESCORT SERVICE, Tel: 800-
88 10 30 - 12 pm 6/6 - 8 pm.
LONDON - ANGELA ESCORT SERVICE
Tel: 01-232 1852.
LONDON ITALY'S Escort Service.
Tel: 1279.
CHATELAIN ESCORT SERVICE, 12
all countries, London 21 1158.
LONDON - ANGELA Escort Ser-
vice, Tel: 01-432 7033.
LONDON - ANGELA ESCORT SERVICE, Tel: 01-432 7033.
LONDON - ANGELA ESCORT SERVICE, Tel: 01-432 7033.

	Bid	Ask	SecLFGo 40	47	16	15%	15%	16
SrPaul Invest:			Seibels 5.80	179	19%	18%	18%	15
Coal	14.09	14.99	SeiOil	3423	14%	12%	14	+1%
Growth	14.11	15.01	Sensor .12c	525	43%	43%	43%	15
			SvcMer .14	821	15%	13%	14	-1%

[illegible]

Invest	1.47	NL	1978 to date	4,510,480,000 shares
Ocean	9.55	NL		
Swirn Ron	Fds.	NL		
Baton	21.49	NL		
Cap Op	20.76	NL		

Consolidated Trading

[illegible]

ExBai	58.13	NL	1-3	10.25	10.09	10.59
ExFai	58.13	NL	1-4	10.30	9.12	10.64
FdiFai	35.89	NL	1-15	10.33	9.15	10.70
ScFdiFai	43.84	NL	1-22	10.33	10.17	10.74
Concl	11.38	14.54	1-29	10.33	10.15	10.74

[illegible]

UIMRsh	215	10	7%	7%
UIMRsh	75	9	8%	8%
UIMRsh	5	16	16	76
UIMRsh	2297	2 1-16	1 1/2	1 15-16+76

Ukraine	67	15	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
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WavePn s.36	106	124	126	126
WavePr .88	53	176	17	174 + 16
WaveTk	91	164	18	18
WaveCm = 4.8	28	143	14	142 + 26

[illegible]

Minimum Wage 20%

LISBON, Aug. 31 (AP)—Citing Portugal's improving economic situation, the government of Premier Francisco Sa Carneiro has announced a 20-percent increase in the national minimum wage and rises in social benefits.

The Council of Ministers announced Friday that the minimum monthly wage would rise to 9,000 escudos (about \$180), effective Oct. 1, and that pensions, sick-leave benefits and welfare payments would also be increased.

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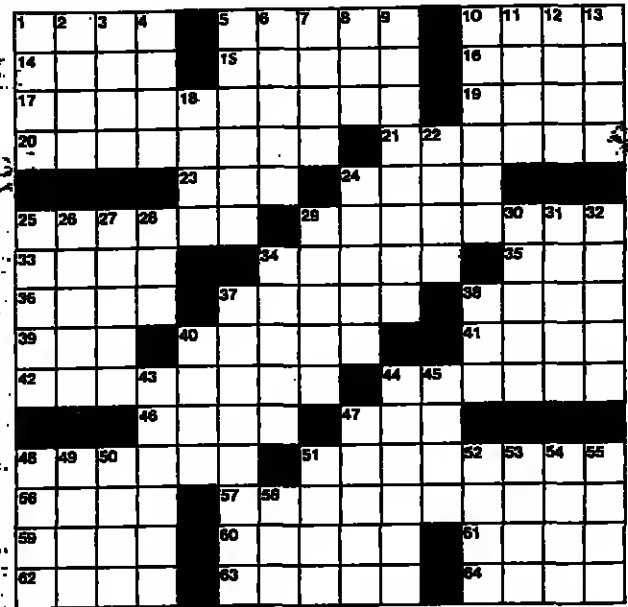
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CROSSWORD

By Eugene T. Maleska



- ACROSS**
- Field contest
 - Jeb Stuart's forte
 - Séance sounds
 - Standing
 - Apshot
 - Pour out
 - Modest poker hand
 - Factual stuff
 - Baby carriage
 - Square-dance caller's command
 - Berlin article
 - Kind of roof or floor
 - Congressional pause
 - Not quite a full house
 - Reveler's cry
 - After-12 period
 - Balance-sheet word
 - Phone man
 - Eats in style
 - Area east of the Urals
 - Tooy's one
 - Loved to excess
 - River in Bolivia
 - This loses to a flush
- DOWN**
- Cartographer's forte
 - He was, to Rorace
 - Yemeni hwy
 - Learner
 - Mauers
 - Late bloomer
 - Elbe tributary
 - What some creditors do
 - U.S. composer associated with Copland

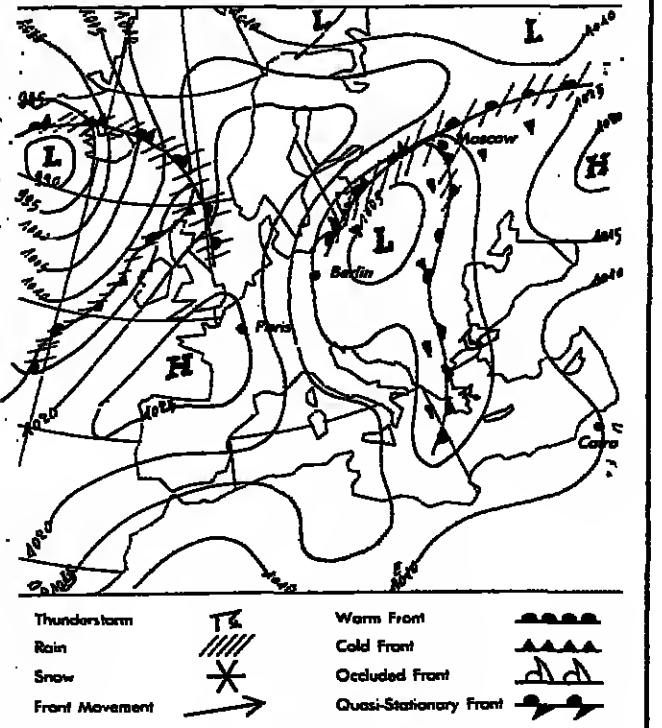
Solution to Friday's Puzzle

BRING THE TAU
RIGOR EVIDENCE
ALONE UNDOLEWEN
GEMMANTH VIGIL
ETHEREAL GELIS
TENSE ULTRATIT
TRICA CUCU PITA
PULLING SWEETEN
PICKA ROLDIO OIST
ELEGANT STIMIS
TYRIS SACRET
TIME FREMETIC
BALTICSLA TIRIE
ALCIBIAE TIRIE
ATT HOIP DRESS

WEATHER

	C	F		C	F
ALGARVE	21	70	CLOUDY	31	88
AMSTERDAM	16	61	SHOWERS	29	84
ANKARA	22	72	FAIR	30	86
ATHENS	28	82	FAIR	33	91
BEIRUT	31	88	FAIR	37	99
BELOUAJOE	23	73	CLOUDY	30	86
BRILL	17	63	RAIN	26	79
BRUSSELS	15	59	SHOWERS	26	79
BUDAPEST	27	81	FAIR	31	88
CASABLANCA	23	82	FAIR	31	88
COPENHAGEN	23	73	SHOWERS	17	63
COSTA DEL SOL	27	81	RAIN	33	91
DUBLIN	19	66	CLOUDY	23	73
EDINBURGH	14	57	FAIR	28	82
FLORENCE	27	81	OVERCAST	31	88
FRANKFURT	18	64	OVERCAST	31	88
GENEVA	14	57	RAIN	31	88
HELSINKI	13	55	CLOUDY	16	61
HOUSTON	—	—	N.A.	24	75
ISTANBUL	26	79	FAIR	31	88
LAS PALMAS	26	79	FAIR	31	88
LISBON	23	73	OVERCAST	29	84
LONDON	18	64	FAIR	14	57
LOS ANGELES	32	90	CLOUDY	—	—

Situation Forecast for Noon G.M.T. Monday



Solving the In-Laws Problem: Listen And Be Honest, U.S. Professor Says

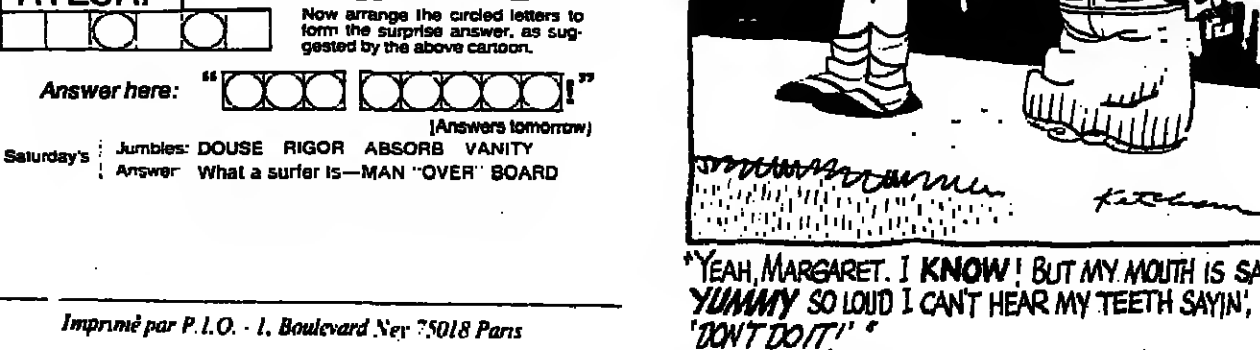
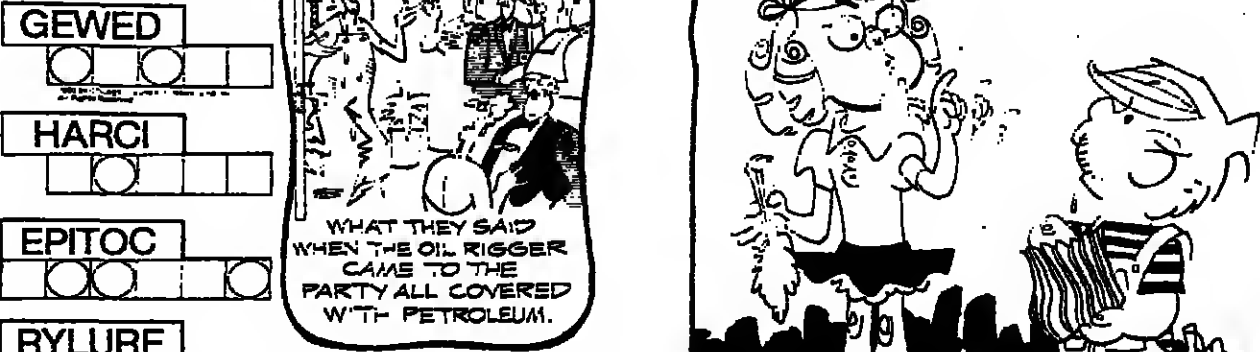
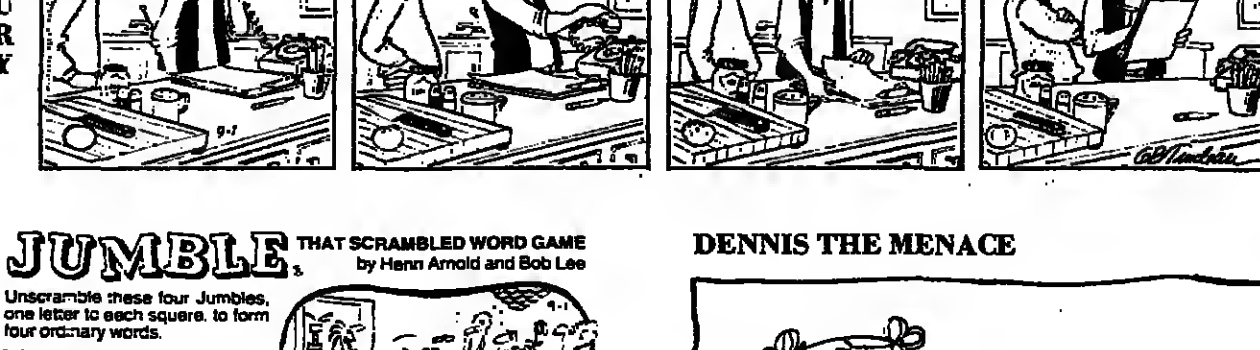
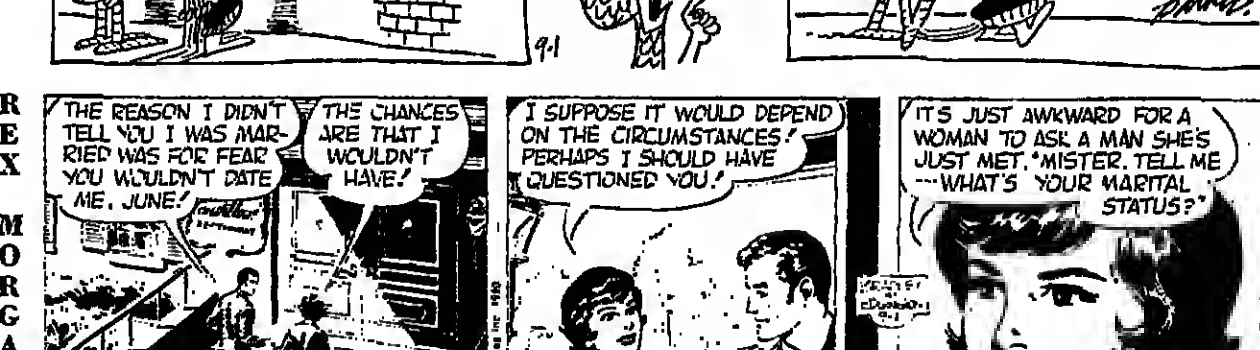
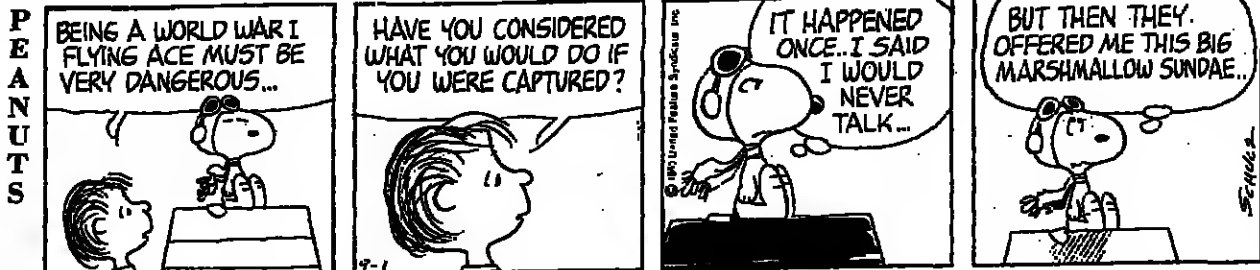
UNIVERSITY PARK, Pa., Aug. 31 (UPI) — So maybe his mother nags too much about an untidy house or a hastily prepared meal. Maybe her father makes a few not-so-subtle comments about the size of the family's income and house.

"If you value your marriage, says an associate professor at Pennsylvania State University, put up with the in-laws.

"If you tell them to mind their own business, you'll just have more problems," said Anthony D'Augelli, a human development professor who specializes in family relations. "It's a mistake to assume relationships with in-laws aren't really essential to a good marriage.

"Marriage is not simply a two-person relationship — it's a bringing together of two families."

Though joining two families in a spirit of harmony is easier said than done, the professor said family feuds that pose hazards for newlyweds can be avoided if problems are anticipated beforehand.



BOOKS

WALTER LIPPMANN AND THE AMERICAN CENTURY

By Ronald Steel, Atlantic Little Brown. Illustrated. 669 pp. \$19.95.

Reviewed by John Leonard

THE scandal surfaced in 1937. Walter Lippmann had been having an affair with his best friend's wife. His best friend, Hamilton Fish Armstrong, found out about it because of a misdirected love letter. As a result of the flap, Lippmann and Helen Armstrong got divorced and married each other. Hamilton Armstrong would never again permit Lippmann's name to be mentioned in the pages of Foreign Affairs magazine, which he edited. According to Ronald Steel, the author of this rich and rewarding biography, there was panic in high places.

"Dorothy Thompson, whose foreign-affairs column alternated with Lippmann's at the New York Herald Tribune and whose office was just down the hall from his own, even discerned international significance in the divorce. A falling-out between two such ardent and influential internationalists as Lippmann and Armstrong, she feared, might weaken the willingness of Americans to confront the Nazi menace."

Lippmann, in other words, was important. Steel, a revisionist historian of the Cold War and imperialism, thinks that Lippmann was "without a doubt the nation's greatest journalist." Certainly his syndicated newspaper column, "Today and Tomorrow," which he wrote for 36 years, was a kind of Fifth Estate. "You young men," Justice Holmes once told him, "seem to think if you sit on the world long enough you will hatch something out. You're wrong."

Lippmann didn't think he was wrong. At The New Republic, at The New York World, in the pages of The New Yorker, in his many books, in his sessions with almost every president from Teddy Roosevelt to Richard Nixon, even when he was playing pingpong with Norma Shearer and Irving Thalberg, one of his annual transatlantic crossings.

What a glittering career. At Harvard his teachers included George Lyman Kittredge, Irving Babbitt and George Santayana. A white-bearded William James paid the undergraduate a personal visit. Among his classmates were T.S. Eliot, John Reed, Heywood Brown, Van Wyck Brooks and Conrad Aiken. He read Lucretius in Latin, Dante in Italian and Goethe in German, while running the Socialist club.

From the beginning there was always a job, and usually an older man to offer it. His father-figures ranged from Lincoln Steffens to Teddy Roosevelt to Bernard Berenson. In addition to Armstrong and Holmes, his friends included Learned Hand, Felix Frankfurter and Harold Laski. He grasped the point of Freud immediately, and would later meet him. Keynesian economics were explained to him by John Maynard Keynes, personally. He wrote a telegram for Al Smith, a speech for Gen. John Pershing, much of Woodrow Wilson's 14 Points and any number of confidential memoranda to presidents and members of their Cabinets.

He didn't last long as a Socialist. As Steel points out, it was not really Socialism; "it was a fruit salad." Although often perceived as lonely and brave, he was usually close to the public opinion he so disdained — a populist progressive, a Wilsonian, a New Dealer, a semi-isolationist, an interventionist, an isolationist, as the times seen demand.

On the Cold War, he was a tepid, which is one of his attractions for Steel. On Vietnam he was intrepid; he was again war in public from 1965 on, including Lyndon Johnson to reveal the very Lyndon Johnson had received him in his bed in 1964. He went from Ly Johnson's bedroom to an ice with Robert Kennedy, and Kennedy to stay out of presidential politics that year. His would be different in 1968.

Steel wants Lippmann to, for everything, good and bad we have come to understand "liberal" in 20th-century American idealism, vacillation, technocracy, cynicism, energy, fatigue, cynicism, good intentions and bad omen. This is a heavy burden, even for a man they call "Buddha" in college because of his pugnacious, and especially a man who promoted Hoover voted for Landon, Willkie, D (the second time around), Eisenhower and Nixon (the first time around). If he was a liberal elite, philosopher-king and a free speech and other civil liberties were not among his pities.

He was, as Steel says, a co-cited man but not an enigma felt himself unloved as a child, never bothered to engage his ismness; not a single one of thousands of columns was devoted to the Nazi death camps. He emotionally conspired until Armstrong opened his "egg."

He loved access to power, power itself. He was often with but no more often than any else who had to form so many opinions. His end — desperate friends on the Vietnam quagmire, stuffed in a cursive bomb by distraught Helen — was sad.

I think Steel has written a decent book from the one he thought he was writing. "Walter Lippmann" is less about the failure of 20th-century American liberalism than it is about the failure of 20th-century American journalism. Journalism bunched down government. The book I read is tremely good.

John Leonard is on the staff of New York Times.

W. German Rights Egged Into Silence

MUNICH, Aug. 31 (AP) — Demonstrators greeted an anti-rightist leader with a barrage of eggs yesterday evening, breaking up a rally of the National German Party with noisemakers and shouting "Nazis out." No fighting, arrests were reported.

Karl Heinz Lindner, anti-chairman of the National German Party, was pelted with eggs as he attempted to speak by the demonstrators, estimated by police at about 3,000 and said to be mostly leftists. The demonstrators chanted through loudspeakers tooted horns and whistles and bells so loudly that Mr. Lindner could hardly be heard, despite large loudspeaker system, witnesses said.

CHESS

By Robert Byrne

THE more sophisticated the player, the more likely he is to panic when he sees that, although it may take 15 moves, there is no way to stop his opponent from infiltrating.

In such a predicament, he will grasp at anything, even an occasional attack, to try to make his opponent go astray. Such a desperate measure will usually fail, as it did for Yasser Seirawan, a Seattle grandmaster candidate, against Grandmaster Walter Browne of Berkeley in the United States Championship in Greenville, Pa.

Had Seirawan played 12 P-K4, he would have opposed Browne's hippopotamus formation with a Maroczy bind, with all its complications. Instead, he adopted an invention of the World Champion, Anatoly Karpov, namely, 12 Q-K3, with the idea of getting a slightly superior ending after 12 ... Q-B2, 13 N-Q4, B-B2; 14 K-B3, Q-N3?!!; 15 Q-B3, Q-Q4; 16 N-Q4. However, Browne crossed him up with 14 ... N-K4, denying White any initiative.

As Browne pointed out, it would have been advisable for Seirawan to bolster his king position with 19 N-K4, N-B4; 20 N-B2. Instead, 19 N-N1?!! took the QN out of central action.

While Seirawan took out insurance with 20 N-R3 against Black's ever achieving a queenside break with ... P-QN4, Browne shifted his attention to the other wing with 20 ... P-KR4. Now 21 P-R4 was mandatory to stop the breakup of the White kingside pawns by 21 ... P-R5!, but Seirawan heedlessly played 21 R-QN1?!

The damage to White's kingside was apparent after 27 ... N-R3: There was no way to stop the decisive attack ... NXP. K-R2, ... R-KN1 and ... P-KN4. Accordingly, Seirawan, partly bluffing, partly hoping, tried the wild 28 NXP; P-N; 29 Q-N6, K-R1; 30 R-N1, R-KN1; 31 RXP.

If, after 31 ... BxR; 32 BxN,



Position after 27 ... N-R3

Browne had played 32 ... Pxd Seirawan would have had a draw 33 QxNch, R-R2; 34 Q-B6, R-R2; 35 Q-R6ch and perpetual check. However, Browne's 32 B-B5 stopped the threat of QxNmate and left Seirawan a ro down.

It took Browne an agonizing long time to unravel his position, but with such a material advantage, he could well afford to be careful. Of course, he expected Seirawan to resign at any moment but it was not until 52 ... R-B3 threatening 53 ... Q-R3 and 54 ... RxB, that he did so.

White	Black	White	Black
1 N-K3	N-B2	28 NXP	P-N
2 P-K4	P-K4	29 Q-N6	P-N
3 P-Q4	P-Q4	30 R-N1	R-KN1
4 P-R4	P-R4	31 RXP	R-KN1
5 P-B3	P-B3	32 BxN	BxR
6 P-N3	P-N3	33 QxNch	R-R2
7 P-K4	P-K4	34 Q-B6	R-R2
8 P-B3	P-B3	35 Q-R6ch	perpetual
9 P-N3	P-N3		
10 P-K4	P-K4		
11 P-B3	P-B3		
12 Q-K3	Q-B2		
13 N-Q4	B-B2		
14 K-B3	Q-N3		
15 Q-B3	Q-Q4		
16 N-Q4	N-K4		
17 P-KR4	P-QN4		
18 P-R4	P-R5		
19 N-K4	N-B4		
20 N-B2	N-B2		
21 P-R4	P-R4		
22 P-KR4	P-KR4		
23 P-R4	P-R4		
24 P-KR4	P-KR4		
25 P-R4	P-R4		
26 P-KR4	P-KR4		
27 N-R3	N-R3		
28 NXP	P-N		
29 Q-N6	P-N		
30 R-N1	R-KN1		
31 RXP	R-KN1		
32 BxN	BxR		
33 QxNch	R-R2		
34 Q-B6	R-R2		
35 Q-R6ch	perpetual		

DENNIS THE MENACE



"YEAH, MARGARET. I KNOW! BUT MY MOUTH IS SAYIN' YUMMY SO LOUD I CAN'T HEAR MY TEETH SAYIN' 'DON'T DO IT.'"

JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

GEWED
HARCI
EPITOC
RYLURF

Answer here: "O O O O O O O O O O!"

Saturday's Jumbles: DOUSE RIGOR ABSORB VANITY

Answer: What a surfer is — MAN "OVER" BOARD

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